



Daily Report

East Asia

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World Economic Forum Holds Annual Meeting

Japan's Takeshita Opens Session

OW3101002492 Tokyo KYODO in English 2306 GMT
30 Jan 92

[Text] Davos, Switzerland, Jan. 30 KYODO—Former Japanese Prime Minister Noboru Takeshita said Thursday East Asia, including China, should become an "open market" as the World Economic Forum opened an annual meeting in this winter resort.

Takeshita said in a keynote speech at the opening session that the region will become a giant import market in the coming years and should be kept open for trade with the United States, Europe, and the rest of the world.

The region should not be turned into a trading bloc, he said.

Takeshita also said there are varied approaches to democratization and transition to market economies, urging Western countries to take more flexible stands on human rights and democratization problems in the region, especially in China.

He said an overly enthusiastic quest for democratization in some countries has led to a collapse of economic systems and made transition to market economies more difficult.

China has been placed under severe Western economic sanctions following the government's military crack-down on pro-democracy demonstrators in Beijing in June 1989.

Before delivering his speech, Takeshita met for 30 minutes with Chinese Premier Li Peng, who was among 25 world leaders attending the conference.

About 1,500 politicians, business executives, and government officials from all over the world gathered for discussions on the theme of global cooperation and competition.

Among those attending were leaders of the former Soviet republics which have formed the Commonwealth Independent States (CIS).

Former U.S. Secretary of State Henry Kissinger and Akio Morita, chairman of Japan's Sony Corp., are cochairing the general meeting, which is scheduled to last until February 4.

The participants are expected to hold talks in seven subcommittee meetings on Asia's new roles in world politics, aid to the CIS and Eastern Europe, South Africa's roles after the end of apartheid policies, and international cooperation for global economic growth, and other subjects.

Takeshita, PRC's Li Peng Meet

OW3101020792 Tokyo KYODO in English 0147 GMT
31 Jan 92

[Text] Davos, Switzerland, Jan. 30 KYODO—Chinese Communist Party leader Jiang Zemin is preparing to visit Japan this April while Beijing continues to hope for a visit by Emperor Akihito, Chinese Premier Li Peng said here Thursday.

Li made the remarks in a meeting with former Japanese Prime Minister Noboru Takeshita. They are among 25 world leaders attending the world economic forum here.

The Chinese premier also indicated during the 40-minute talks a more flexible attitude toward China's and Taiwan's simultaneous participation in the General Agreement of Tariffs and Trade (GATT), according to Japanese sources.

The sources said Takeshita characterized as "significant" the upcoming visit by Jiang to Japan to commemorate the establishment of diplomatic relations between Tokyo and Beijing 20 years ago.

His visit will be the first by the communist party general secretary to a major Western nation since June 1989 when Chinese troops fired into demonstrators in Tiananmen Square to disperse the pro-democracy rally there.

Jiang was originally invited to visit Japan in late May by Foreign Minister Michio Watanabe during his visit to Beijing in early January.

The timing of the Jiang visit to Japan and Li's tour of Europe, where he has been met with anti-Beijing demonstrations, and the U.S. are being viewed as part of China's current campaign to improve relations with the outside world.

Li also requested Japan's cooperation in getting China readmitted to GATT, and thanked Takeshita for Japan's support, the sources said.

The Chinese premier said China's participation in GATT would pose no obstacle to the inclusion of Taiwan in a separate GATT tariff region. Previously, China has objected to the participation in international bodies of Taiwan, which it regards as a province of China.

Regarding an imperial visit to China, Takeshita said the Beijing invitation is being considered by the Japanese Government and added, "I, personally, am heartily in favor (of the visit)," according to the sources.

They said Takeshita welcomed Li's scheduled meeting with U.S. President George Bush in New York during the summit of leaders from the 15 member nations of the United Nations Security Council.

Calling Bush "a man who understands China," Takeshita urged Li to have a frank discussion with the U.S. President on U.S.-China relations, which are at an awkward impasse over human rights issues, they said.

DPRK, Japan Continue Normalization Talks**Japan Notes Conditions for Ties**

*OW3001075292 Tokyo KYODO in English 0738 GMT
30 Jan 92*

[Text] Beijing, Jan. 30 (KYODO)—Talks for normalizing Japan-North Korea relations will not make substantial progress until North Korea acts on a promise to allow inspections of its nuclear facilities, Japan's chief negotiator said in Beijing on Thursday.

Noboru Nakahira told the North Korean side at the outset of two days of normalization talks in the North Korean embassy in Beijing that he welcomed North Korea's recent announcement that it will sign a nuclear safeguards accord with the International Atomic Energy Agency (IAEA), Japanese officials said.

The accord would allow IAEA to inspect North Korea's nuclear facilities.

Nakahira told the North Koreans it could best allay international concern that it is developing nuclear weapons by complying fully with the details contained in the accord.

North Korea is due to sign the accord with the IAEA on Thursday, as required by the Nuclear Nonproliferation Treaty, which North Korea signed in 1985.

The head of the North Korean negotiating team, Chon In-chol, for the first time took up the issue of many Korean women forced into serving as "comfort women" or prostitutes for Japanese soldiers before and during World War II.

Chon said the Japanese Government has failed to display "sincerity" over historical responsibility during previous negotiations and this is also apparent in its attitude on the "comfort women" issue.

Chon said progress has been made in many areas unrelated to Japan-North Korea relations and questioned the relevance of discussing the nuclear issue.

In the sixth round of talks, Tokyo and Pyongyang are expected to discuss basic bilateral matters, such as clarifying North Korea's jurisdiction on the divided Korean peninsula, Japanese officials said.

The issue of Japan paying compensation for its 1910-1945 colonial rule of the Korean peninsula is also likely to be on the agenda, the officials said. The two sides are also expected to discuss other problems, such as allowing home visits by Japanese women in North Korea married to North Koreans. An estimated 6,000 Japanese women went to North Korea with their husbands in the 1960s and have not been allowed even brief returns to Japan.

In working-level talks scheduled for Thursday afternoon, Japan will ask North Korea for information on a Japanese woman known as Yi Un-hye in Korean, the officials said. The woman allegedly was kidnapped to train a

North Korean agent on how to pose as a Japanese. The agent was later convicted in Seoul for the 1987 bombing of a South Korean airliner that killed 115 people.

During the talks in the Chinese capital, North Korea sought compensation for Korean "comfort women." The request follows a similar demand by South Korea earlier this month.

On Yi Un-hye, North Korea again denied its involvement in the case, officials said.

Its representatives accused Japan of fabricating the kidnapping case.

Japanese officials said they will raise the issue again to North Korea in the forthcoming negotiations of normalization of relations between the two countries.

Negotiators Remain 'Far Apart'

*HK3001143392 Hong Kong AFP in English 1410 GMT
30 Jan 92*

[Excerpt] Beijing, Jan 30 (AFP)—Japan and North Korean negotiators remained far apart in talks on normalizing relations here Thursday despite Pyongyang's signing of a nuclear safeguard agreement.

The start of the sixth round of normalization talks—scheduled to last for two days—coincided with North Korea's signing of an International Atomic Energy Agency agreement in Vienna opening up all its nuclear facilities to international inspection.

The signing cleared a main obstacle in the talks, but the North Korean delegation chief, Vice Foreign Minister Chon Il-chol, said progress was still impossible unless Japan owned up to crimes during its 1910-1945 occupation of Korea.

"There cannot be normal relations without a clear liquidation of the past and the right reparations toward the support of the Korean nation," Chon told reporters, apparently repeating demands for financial compensation.

Chon accused his counterpart Noboru Nakahira of coming to the talks with the "wrong attitude" and raised the question of Korean "comfort women," thousands of whom were sent to the front during World War II to serve as prostitutes for Japanese Imperial Army troops.

A central issue is Japan's claim that the 1911 treaty used to annex Korea was legally valid until nullified at the end of the war in 1945.

For its part, Japan again asked North Korea for an accounting of a Japanese woman allegedly kidnapped to North Korea to teach terrorists Japanese language and customs. [passage omitted]

DPRK Delegate Holds Briefing

SK3101053792 Pyongyang Korean Central
Broadcasting Network in Korean 2100 GMT 30 Jan 92

[Text] The sixth DPRK-Japanese intergovernmental full-dress talks took place yesterday in Beijing for the normalization of diplomatic relations. Present at the talks were the members of the DPRK Government delegation led by Vice Foreign Minister Chon In-chol from our side, and the members of the Japanese Government delegation led by Noboru Nakahira from the Japanese side.

Chon Il-chol, head of the DPRK Government delegation, gave a news briefing at the end of the talks. According to him, the two sides' heads first made opening addresses at the talks.

In its opening address, the Japanese side reviewed the talks over the past year and clarified its stand regarding the sixth talks. It stated unreasonably that it could not accept in the future, too, our proposal to first establish diplomatic relations between the two countries and then resolve other matters. The Japanese side also said that even though it welcomes the DPRK's signing of the nuclear safeguards accord, the DPRK should fully implement its obligations under the Nuclear Nonproliferation Treaty [NPT] and fully accept a nuclear inspection to ensure that international doubt about the nuclear development problem can be dispelled. It also said that there would be no progress in resolving other matters unless this matter is resolved.

In its opening address, our side said: The DPRK-Japanese intergovernmental full-dress talks to normalize diplomatic relations started in Pyongyang one year ago. Reviewing the talks so far, we can say that some progress has been made, but it would also be correct to say that there has been no progress in resolving fundamental issues.

Our side stressed: A three-party joint declaration was issued as a result of the efforts by some farsighted Japanese politicians, and the way was opened for the normalization of diplomatic relations. However, from the very beginning of the talks to normalize diplomatic relations, the Japanese side negated the three-party joint declaration and presented unreasonable preconditions, which has made the talks fruitless for a year.

Our side said: Normalizing diplomatic relations between the DPRK and Japan is not a simple matter about establishing diplomatic relations between two different countries but a matter on establishing genuine equal, reciprocal, and friendly relations based on Japan's correct reflection and liquidation of its past history of occupation of and colonial rule over Korea.

Our side also said: Basic in the DPRK-Japanese talks to establish diplomatic relations is a matter on liquidating the unfortunate past between assailant and victim and a matter on political and material responsibility.

Our side stressed: The Japanese side has so far not assumed a repentant attitude as an assailant but an attitude of covering up and beautifying its past; and not an attitude of fully liquidating its past crimes but an attitude of trying to avoid its responsibility in history.

It revealed that such a position and attitude by the Japanese side is also clearly shown by the Japanese authorities' position on the wartime comfort women issue which has emerged recently. Our side also said: It is our view of the past year of talks that the Japanese side imposed many preconditions upon us, the victim, and derailed the talks in order to pursue some other aims.

Our side also said: If the talks to normalize diplomatic relations between the DPRK and Japan are truly to register the hoped-for success in step with the desire of the two countries' peoples and in the interests of peace in Asia and the rest of the world, then what took place last year must not be repeated during the current talks which signify a first step in the new year.

After stating that rapid changes took place in the development of the situation over the past year irrespective of the current talks, our side went on: The questions of our country's UN admission, the North-South dialogue, and our country's signing of the nuclear safeguards accord, which the Japanese side raised as preconditions for normalizing DPRK-Japan diplomatic relations, have all been resolved. Now that all these questions have been resolved, even though by nature they have nothing to do with the normalization of DPRK-Japanese diplomatic relations, we would like to know what the Japanese side will raise as preconditions. We think it is high time the Japanese side made clear its position and attitude.

As far as the nuclear inspection is concerned, the United States and South Korea, to say nothing of the International Atomic Energy Agency [IAEA], the party directly concerned, expressed satisfaction with our signing of the accord. Japan alone is still urging us to remove the danger of nuclear development and saying that they strongly insist on it and that without resolving this matter it is hard to expect any progress in other matters related to the normalization of relations.

After asking the Japanese side how it can have the nerve now to take issue with us over the nuclear inspection problem, our side stressed that the Japanese side must draw a lesson from its wrong action resulting from a wrong judgment of the situation. Referring to the fact that even though our nation has long been divided by outside forces, the North and South have started moving toward reconciling and cooperating with each other and achieving reunification, our side pointed out that this makes us wonder if we can correctly liquidate the past with Japan and go toward reconciliation and good-neighbor relations. Our side added: We have no interest in holding talks in which the two sides meet and part once every several months as they did last year.

In connection with the fact that the Japanese side stated at its opening address that it cannot agree to the DPRK's

proposal to first establish diplomatic relations and then resolve other matters one by one and that there is no change in this position, our side clarified again our position that it is all the same as to whether diplomatic relations are established with the Japanese side or not.

After pointing out that even the United States is moving toward normalizing relations with us and that EC nations are expressing their willingness to establish diplomatic relations, our side warned that Japan might be the only one that chooses not to establish diplomatic relations with us.

Then the establishment of diplomatic relations, the first item on the agenda, was discussed.

The talks mainly discussed what content would be in a joint document to be published in case diplomatic relations are established upon agreement between the two countries.

In this regard, the Japanese side repeated its former argument and tried not to sincerely apologize for Japan's past criminal deeds and admit that its past crimes against Korea were unlawful.

Our side pointed out that the remarks by the Japanese side at the talks show that it has not repented of its past crimes but has tried to justify its aggression as legal and that, in particular, its argument during the fifth talks shows that it had not backed away from its position on an apology for its past crimes and an admission of the unlawfulness of its past crime of aggression.

Our side clarified once again at the talks that DPRK-Japanese diplomatic relations cannot be normalized unless Japan apologizes and makes due compensations for her past crimes.

What is essential for Japan in liquidating its past is, above all, to clearly admit that the Japanese imperialists' colonial rule over Korea was an impermissible and illegal act of aggression. Japan had committed cruel acts of suppression and pillage unprecedented in the history of colonial rule. Japan imposed incalculable damages and calamities on the Korean people and created a tragic history of blood, tears, anger, and misfortune. Japan, too, surely knows that its involvement in the wartime comfort women issue is strongly denounced worldwide. Japan's acts of aggression and plunder in Korea, China, and other Asian countries were all illegal and unlawful.

For all this hard historical fact, the Japanese side has not yet repented and made compensation, nearly half a century later. Rather, it is trying hard to record its criminal deeds as legitimate ones in an official document on liquidating its past wrongs, a document to be discussed with us, the victim. How should this be interpreted? This is, in a word, nothing but an intention not to liquidate its wrongs.

Our side cited instances to show that unbiased world public opinion now criticizes Japan for describing as legal and just that Japan had invaded Korea by force of

arms and enforced a truculent colonial rule and for unjustly being unwilling to definitely repent of and compensate for its past crimes. Our side asked the Japanese side the following questions:

First, the Japanese side at the past rounds of the talks alleged that the drafting of millions of young and middle-aged Korean men to killing fields was not wrong because it was based on Japanese law at that time. Some 200,000 Korean women, including little girls aged 12 to 16, were drafted to battle fields to serve as comfort girls for Japanese soldiers. On which article of the law of Japan was this heinous act based?

Second, a French newspaper reported in an article entitled "Tragedy 50 Years Ago—Korean Comfort Women for Japanese Soldiers" that it was not until half a century later that this tragedy was made known to the world, saying that although Miyazawa made a belated apology, he avoided the question of compensation to the women who are still alive.

It took half a century for Japan to admit that the state was responsible for the very clear and reproachable question of comfort women for soldiers. How many centuries will it take for Japan to admit the countless number of crimes Japan has committed?

Third, the Japanese prime minister said this time that he repented of and apologized for Japan's past crimes.

However, the Japanese side insisted at the talks: There is no legal ground for compensation because the treaties between old Korea and Japan were signed legally and were enforced effectively. More than 1 million Koreans were drafted and died. This was also based on the law of Japan at that time. So there is no legal ground for compensation, either. Also, Japan took away a huge amount of wealth. There is no ground for compensation because Japan did it legally.

In other words, it means that there is nothing wrong in Japan's past colonial rule over Korea.

Our side clearly stated that its [Japan's] argument is unreasonable.

For what does the Japanese prime minister apologize and repent?

Our side stressed that there can be progress in the talks only when the Japanese side has answered these questions.

The Japanese side resorted to a preposterous word play as to the questions raised by our side in an effort to escape from its responsibility for its past crimes.

Our side pointed out: The Japanese side tried to record its past aggressive acts as legitimate even in an official document on normalizing diplomatic relations. This means that it intends not to part with its past but to commit such aggressive acts again in the future, too.

Meanwhile, an unofficial working-level contact was held between the two sides, apart from the talks. At the contact, the Japanese side again brought up the unidentified Japanese woman issue. Our side strongly urged once again Japan to give up the unjustifiable attempt to intentionally create obstacles to the talks by bringing up this nonexistent Japanese woman issue.

Japanese Fete DPRK Delegation

*SK3101060392 Pyongyang KCNA in English
0538 GMT 31 Jan 92*

[Text] Beijing January 30 (KCNA)—The Japanese Government delegation participating in the sixth intergovernmental full-dress talks for the normalization of DPRK-Japan diplomatic relations hosted a party for the DPRK Government delegation in Beijing on the evening of January 30.

Invited to the party were the members of the DPRK Government delegation headed by Chon In-chol, vice-minister of foreign affairs, and the minister of the DPRK Embassy here.

The members of the Japanese Government delegation headed by Noboru Nakahira, representative of the Japanese Government, and the minister of the Japanese Embassy in Beijing were present.

The party proceeded in a friendly atmosphere.

Talks Extended Additional Day

*OW3101123592 Tokyo KYODO in English 1213 GMT
31 Jan 92*

[Text] Beijing, Jan. 31 KYODO—Japan-North Korean negotiations aimed at normalizing diplomatic relations will be extended one day to Saturday as the two sides failed to agree on a joint document, Japanese officials said Friday.

On the second day of the talks initially scheduled to end Friday, Tokyo and Pyongyang remained divided on specifying the validity and legality of past treaties in the document to be exchanged when bilateral diplomatic ties are established, the officials said. Economic issues and international affairs also remain to be discussed in the sixth round of talks in Beijing, they said.

In Friday's talks at the Japanese Embassy, Tokyo urged Pyongyang to specify in the document the validity of the so-called San Francisco Peace Treaty of 1951 that restored Japan's sovereignty and the 1965 treaty establishing Japan-South Korean diplomatic relations, and to recognize the legality of the 1910 treaty under which Japan annexed the Korean peninsula.

But Pyongyang claimed the treaties were illegal, calling it strange that the 1951 peace treaty refers to the division and independence of Korea, when North Korea had been established in 1948, the officials said. North Korea also said Japan should reconsider its position toward Seoul—based on the 1965 pact assuming two Koreas—because Seoul-Pyongyang ties are in a transitional process heading toward unification.

The Japanese delegation said Tokyo-Seoul ties are the basis of Japan's ties with the Korean peninsula and that its developing relationship with Pyongyang should not obstruct that established relationship, the officials said.

On the annexation treaty, Tokyo claimed that at the time it was accepted in international legal circles and that no country protested against it.

On the issue of women forced to serve in World War II front-line brothels, Japan said it is probing the truth on the issue with "sincerity." Tokyo has recently apologized to South Korea for the Imperial Japanese Army's role in forcing thousands of mostly Korean women to be "comfort women" and vowed to investigate the matter.

Chon In-chol, head of the North Korean delegation, told reporters North Korea will consider whether to demand compensation from Japan for the suffering of the "comfort women" separately or together with other compensation claims.

Even before the "comfort women" came up in the normalization talks, North Korea had been demanding apologies and compensation on the issue as one aspect of the suffering Japan inflicted on the Korean people, he said. Chon said Pyongyang receives many letters from people calling for compensating victims and settling old scores.

North Korea will fully support South Korean demands for apologies and compensation on the issue as the sufferings of both were the same, Chon said. But he did not say whether Pyongyang would work jointly with Seoul on the issue.

Japan**Miyazawa, Li Peng To Meet Briefly at Summit***OW3101023492 Tokyo KYODO in English 0209 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Japanese Prime Minister Kiichi Miyazawa and his Chinese counterpart Li Peng will meet for 10 minutes in New York Friday between sessions of the United Nations Security Council Summit, the top government spokesman said.

The two are likely to discuss the exchange of high-level visits planned this year to mark the 20th anniversary of establishing diplomatic ties, Chief Cabinet Secretary Koichi Kato said.

It will be the first meeting between the leaders since Miyazawa took office last November.

Last summer, then Prime Minister Toshiki Kaifu became the first leader of a major industrialized nation to visit China following the military crackdown on pro-democracy demonstrators in Tiananmen Square in 1989.

While Japan initially turned down the meeting requested by Li due to tight scheduling during the first meeting among the leaders of the 15 U.N. Security Council members, it later made room for it after Li suggested it would be important given the significance of the 20th anniversary of relations, a government source said.

Peng is also scheduled to meet briefly with U.S. President George Bush.

Lowered Cap on U.S.-Bound Auto Exports Denied*OW3101091592 Tokyo KYODO in English 0854 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—A senior International Trade and Industry Ministry official on Friday denied a report that Japan is lowering its voluntary lid on auto exports to the United States. The official told reporters that the ministry has not yet even started discussing whether to extend the voluntary export restraint, which has been in place for more than a decade.

Japan's major daily MAINICHI SHIMBUN reported Thursday the government is considering slicing the self-imposed quota of passenger car exports to the U.S. by more than 25 percent from the current 2.3 million to 1.7 million units a year. Citing government sources, the daily said the reduction is intended to soothe growing frustration in the U.S., particularly in Congress, over the bilateral auto trade deficit, which has accounted for three quarters of the annual 40 billion dollar bilateral gap.

The cut in export curbs, if it becomes reality, would mark another concession by Japan in the auto dispute. The Tokyo government, yielding to stiff U.S. pressure, recently agreed to buy substantially more U.S.-made cars and car parts over the next few years.

The official, who spoke on condition of anonymity, also said the upcoming Japan-U.S. talks aimed at assessing the progress made concerning the bilateral trade accord will broaden the scope of discussions in line with a recent agreement to "reinvigorate" the so-called Structural Impediments Initiative (SII) talks.

The follow-up meeting on SII, scheduled for February 26 in Washington, will deal with new commitments by both countries to remove barriers to trade and investments in addition to those agreed in the final SII pact released in June 1989.

Officials Confirm SII Meeting Slated for Feb*OW3101090592 Tokyo KYODO in English 0848 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Japan and the United States have agreed to hold a follow-up meeting after the Structural Impediments Initiative (SII) trade talks in Washington on February 26, Japanese Government officials said Friday. The U.S. is expected to bring up, during a subcommittee-level session, problems surrounding Japan's unique "keiretsu" corporate affiliation system, the officials said.

Washington proposed that the semiannual meeting should focus on three major issues regarding trade practices, including fairness, competition, and transparency. An action plan made public after a summit earlier this month between U.S. President George Bush and Japanese Prime Minister Kiichi Miyazawa called for reactivation of the SII scheme to promote bilateral trade.

At the forthcoming session, the U.S. is also likely to propose discussions on lingering keiretsu barriers in paper and glass industries, the officials said.

SMI To Help U.S. Steel Firm Boost Production*OW3001152592 Tokyo KYODO in English 1428 GMT
30 Jan 92*

[Text] Osaka, Jan. 30 (KYODO)—Sumitomo Metal Industries [SMI] Ltd. will send about 20 foreman-class experts to LTV Corp., based in Dallas, Texas, in April to help in the reconstruction of the U.S. firm's steel business, the No. 3 Japanese steelmaking firm said Thursday.

Sumitomo officials said the experts will visit LTV Steel (LTVS), a subsidiary of LTV, based in Cleveland, Ohio, and the No. 3 steelmaker in the U.S., and L-S Electro-galvanizing Co., a joint venture between Sumitomo and LTVS, for about three weeks to help them boost their productivity.

While at the plants, the Sumitomo experts will exchange views with LTVS foremen and other representatives chiefly on production processes and quality control.

The officials said Sumitomo will continue sending such experts to LTVS over the next five years.

LTV, which in July 1986 sought court protection under Chapter 11 of the U.S. Bankruptcy Act in its reconstruction attempt, is now in the process of reorganization.

When the company draws up a reconstruction plan in February calling mainly for the sale of the aviation and munitions division, Sumitomo Metal intends to participate in the management of LTV by providing about 200 million dollars, the officials said.

MITI 'Willing' To Back Sakhalin Oil Project

*OW3101024392 Tokyo KYODO in English 0200 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—International Trade and Industry Minister Kozo Watanabe said Friday the government is willing to provide financial backing for a costly oil and gas project on the Russian island of Sakhalin.

Watanabe told a press conference after a cabinet meeting that the government wants to support the project, which with an estimated cost of 10 billion dollars is seen by industry experts as highly risky.

"The government's stance about assisting the former Soviet Union has not changed," Watanabe said, adding that the government's greatest interest is in the Russian Far East.

But he also said that the government wants to study more about the project, such as its profitability, before making any move.

An international consortium including Mitsui and Co. has been given a letter of intent by the Russian Government to conduct a feasibility study on the project.

Sakhalin Oil Development Cooperation Co., a joint Japanese Government-private sector venture, is also expected to participate in the venture.

Further ODA Funding Approved for Cambodia

*OW3101125192 Tokyo KYODO in English 1145 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 (KYODO)—Japan will pledge 1.1 billion yen in Official Development Assistance (ODA) to Cambodia by the end of March in addition to 4.4 billion yen offered in 1991, the Foreign Ministry said Friday.

The additional aid, being extended under Japanese plans to resume full-scale ODA to Cambodia, will include emergency food and medical supplies worth 860 million yen and 170 million yen in contributions to the United Nations border relief activities, ministry officials said.

The ministry will also host an international conference on the rehabilitation of the strife-torn country in Japan after April, the officials said.

Australia 'Interested in Cooperating' With Tokyo

*OW3101133692 Tokyo KYODO in English 1218 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Australia's Government, businesses and labor unions are not interested in "Japan bashing."

Australian Minister for Industrial Relations Peter Cook said Friday. Australia does not share in recent criticism of Japan by Chrysler Corporation Chairman Lee Iacocca and other United States industry leaders, Cook said at a press briefing in Tokyo at the end of an eight-day visit to Japan. Australian industry and unions perceive their future as part of the Asian region and are more interested in cooperating with Japan than criticizing it, he said.

"I have noticed it is the fashion in North American and European journals to bash Japan," said Cook, who is a senator.

"Australia lives in the region and we are not into that scene. We are interested in contributing to the economies in the region."

Cook led a delegation of leading Australian business, government and union representatives to Japan to brief their Japanese counterparts on changes in industrial relations in Australia and to collect information on Japanese industrial relations.

The eight-member delegation included Bryan Noakes, the director-general of the Confederation of Australian Industry, and Martin Ferguson, president of the Australian Council of Trade Unions.

The delegation met Labor Minister Tetsuo Kondo, management representatives, including members of the Federation of Economic Organizations (Keidanren) and the Japan Federation of Employers' Associations (Nikkeiren), and labor union representatives, including members of the Japanese Trade Union Confederation (Rengo).

Cook said the delegation members were initially skeptical about Japanese perceptions of the current state of Australia's management-labor relations because Australia earned a reputation for a high number of industrial disputes a decade ago.

He said the delegation found the skepticism was allayed by a curiosity over the extent of changes in Australia's labor relations since the current labor government came into power nine years ago. Cook said the rate of labor disputes in Australia has dropped 61 percent since then.

He said delegation members were unanimous in wanting to encourage Japanese investment in Australia, given the stability of its management-labor relations.

"We foresee Japan not investing in Australia as a site for supplying the domestic market, but rather as a platform for exporting to the region and world markets," he said.

Australia offers investment opportunities in biotechnology, the supply of education and health services to the middle classes in southeast Asian countries, processed foods and next-generation steel technology, he said.

Matsushita Plans Equipment Venture in Indonesia

*OW3101062892 Tokyo KYODO in English 0606 GMT
31 Jan 92*

[Text] Osaka, Jan. 31 KYODO—Matsushita Electric Works Ltd. said Friday it will launch a joint venture in Indonesia to manufacture lighting equipment.

The Osaka-based affiliate of Matsushita Electric Industrial Co. said the new firm, PT Matsushita Gobel Electric Works Manufacturing, will be incorporated in Jakarta in July with PT Pabrik Diesel Dan Traktor (PTR).

Matsushita will own 80 percent of the 7.5 million dollar company and PTR will hold 20 percent of the shares, the company said.

The new company will build a production plant at an industrial complex in Sukaresmi village in west Java at a cost of about 800 million yen.

Construction on the factory will start in May this year with production scheduled to begin in December, the company said.

The company should have sales of about 890 million yen in fiscal 1995, Matsushita said.

Philippine Flights To Be Allowed to New Airport

*OW3001164892 Tokyo KYODO in English 1350 GMT
30 Jan 92*

[Text] Tokyo, Jan. 30 (KYODO)—Japan agreed Thursday to allow Philippine flights to Kansai International Airport, which is scheduled to open on a man-made island in Osaka Bay in the summer of 1994, Japanese officials said.

The officials said Japanese and Philippine negotiators agreed during the aviation talks in Tokyo to allow airlines of both countries to implement a reciprocal expansion equivalent to three more round-trip flights a week of Boeing 747 jumbo jets, starting at the end of March 1992.

The officials said the negotiators also agreed to allow the airlines further reciprocal expansion, equivalent to five more round-trip flights a week by the same type of aircraft, after the Kansai Airport opens.

Japan previously agreed to let other foreign airliners fly into the airport, now under construction, but this is the first time it has agreed to a specific number of flights to the airport.

U.S. Tuna Ban Could Hurt Plans in Philippines

*OW3101143392 Tokyo KYODO in English 1340 GMT
31 Jan 92*

[Text] Manila, Jan. 31 KYODO—A new U.S. ban on Philippine yellowfin tuna could hurt the plans of a major Japanese fishing cooperative to make a southern Philippine city an international tuna processing center, local trade officials and tuna canners said.

The ban, which went into effect Friday, will likely discourage investment to set up multimillion dollar canneries and processing plants in the city of General Santos, they said.

The Japanese cooperative, the National Federation of Fisheries Cooperative Association (Zengyoren), has said it plans to divert its tuna catch to General Santos, where some of its member canners would set up the facilities and, it is hoped, make the area an international tuna processing center.

The trade officials said Japan is one country likely to be affected by the U.S. ban, since its canning industry processes tuna imported from the Philippines for export to the United States.

The ban is in line with the U.S. Marine Mammal Protection Act, which bans the importation of yellowfin tuna and tuna products from 15 countries, including the Philippines.

Tanabu Criticizes Ministry on Rice Market Issue

*OW3101031892 Tokyo KYODO in English 0251 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Agriculture, Forestry, and Fisheries Minister Masami Tanabu lashed out Friday at earlier remarks made by a senior Foreign Ministry official supporting the opening of Japan's rice market.

Tanabu said the Foreign Ministry may be in charge of negotiations, but the Farm Ministry is in charge of agricultural policy. "They ought to listen to us carefully," he said.

Tanabu was apparently referring to a report in the ASAHI SHIMBUN newspaper quoting an anonymous senior Foreign Ministry official as saying Thursday that he supported tariffication of imported rice as a way to avoid situations such as Japan being blamed for the possible failure of the Uruguay Round of [words indistinct].

Italy Removes Abe From Honorary Consular Post

*OW3001153592 Tokyo KYODO in English 1414 GMT
30 Jan 92*

[Text] Hakodate, Hokkaido, Jan. 30 (KYODO)—Italy recently removed Fumio Abe, a former state minister in charge of the Hokkaido Development Agency arrested in the Kyowa Bribery scandal, from the post of honorary

consular agent for the country in Japan, Foreign Ministry officials said Thursday.

Officials said the Italian Embassy notified the ministry January 24 that Abe was suspended from the post because of his arrest.

Abe was arrested earlier this month on suspicion of accepting 80 million yen in bribes from Kyowa Co., a now bankrupt steel frame manufacturer.

The suspension is tantamount to a discharge since Abe is still five months short of 70, the mandatory retirement age of the Italian honorary consular agent.

Abe was appointed to the post in November 1962 when he was a member of the Hakodate Municipal Assembly, after a trading firm he established in the late 1950s started business with Italy.

Italian Embassy officials simply said Abe was relieved of the honorary post.

Nikkei Probe Finds No Itoman Money Recipient

*OW3101141692 Tokyo KYODO in English 1326 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 (KYODO)—The NIHON KEIZAI SHIMBUN on Friday disputed allegations that one of its employees accepted 10 million yen from the scandal-ridden trading house Itoman Corp.

Tsuneyoshi Natsumeda, managing director of NIHON KEIZAI newspapers, told a news conference that an in-house investigation committee which he heads could not find any employee who had received money from one of the defendants in the Itoman trial, Shigeru Kobayakawa.

Natsumeda said the committee surveyed about 150 reporters covering the Itoman scandal and another 50 employees who might have had contacts with the trading house for business reasons. He noted that nobody in his organization had yet been questioned by prosecutors.

The NIHON KEIZAI official also raised the possibility of an outsider leaking company-held information in the name of NIHON KEIZAI, an influential financial daily.

Prosecutors charged in December that Itoman had bribed a NIHON KEIZAI employee and two other news organizations to downplay criticism of its shady real estate and art business dealings.

Kobayakawa, 44, president of the bankrupt property developer Arcadia Corp., earlier admitted in court that he had made payments to employees of "some" news organizations in an attempt to dampen media criticism of the scandal involving Itoman.

Kobayakawa is accused of conspiracy with former Itoman President Yoshihiko Kawamura.

Natsumeda said the NIHON KEIZAI sent a questionnaire to the prosecutors on Friday, demanding proof of the existence of the employee who allegedly cooperated with Kobayakawa.

Prosecutors refused to comment on the matter, he said.

Itoman, a trading house affiliated with the Sumitomo group of companies, is accused of extending huge unguaranteed loans to finance speculative land deals.

It is also accused of breaching commercial laws by purchasing 211 art paintings for 52.8 billion yen—34.8 billion yen more than their normal market value.

Kobayakawa told reporters after a second trial at the Osaka District Court that he had wanted to give the name of the NIHON KEIZAI collaborator at the trial but did not do so because of the trouble it would bring to those concerned.

Minister Repeats Exam Influence Peddling Denial

*OW3101053292 Tokyo KYODO in English 0519 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Posts and Telecommunications Minister Hideo Watanabe repeated denials Friday that he took hundreds of millions of yen from parents of high school students in exchange for using his influence to secure university admissions.

Watanabe told a news conference he had sometimes informed parents of examination results but never used his influence to help students enter universities.

He acknowledged receiving payments from the parents but said the amounts were within "the scope of common sense."

Watanabe said he treated the money as political funds.

The minister apologized to voters, universities, and the legislature for causing much trouble over the press reports involving him.

Watanabe said he had no intention of asking law enforcement authorities to investigate the reports.

The SHUKAN BUNSHUN weekly magazine, in its February 6 editions published Thursday, ran an expose by Watanabe's former first secretary, Hideyuki Nagasawa, who claimed that Watanabe accepted "remunerations" of up to 31 million yen per request.

The scandal was the latest to hit Prime Minister Kiichi Miyazawa's three-month-old cabinet, following the Kyowa scandal in which his faction's former secretary general, Fumio Abe, was arrested for allegedly taking bribes.

Keidanren's 1992 Guidelines Urge Political Reform

OW3001100992 Tokyo KYODO in English 0901 GMT
30 Jan 92

[Text] Tokyo, Jan. 30 KYODO—The Federation of Economic Organizations (Keidanren) published Thursday its 1992 policy guidelines calling for an early implementation of political reforms by the government and the ruling Liberal Democratic Party [LDP].

The big-business group also urged measures for quick economic recovery, correction of problems associated with Japanese corporate society, such as long working hours, "symbiosis" with foreign countries, and increased Japanese contributions to global environmental protection.

The document said the scrapping of three bills on political reforms during the last Diet session has serious implications for Japan and expressed fears that it could lead to a loss of public confidence in politics.

Keidanren Chairman Gaishi Hiraiwa told reporters that political reforms should be implemented through both the tightening of controls on political funds and electoral reforms.

He thus criticized growing LDP moves to sever links between political fund controls and electoral reforms.

Hiraiwa said a system of companies making contributions to political parties is preferable to the current practice of individual companies offering political funds to individual politicians.

He also urged the government to take active business stimulation measures, saying business confidence is declining.

Hiraiwa said, however, he would not immediately urge a further reduction in the official discount rate, noting interest rates have decreased following the Bank of Japan's half-point cut in the key rate to 4.5 percent on December 30.

Foreign Net Purchases of Securities Hit Record

OW3101111392 Tokyo KYODO in English 0943 GMT
31 Jan 92

[Text] Tokyo, Jan. 31 (KYODO)—Net purchases of Japanese stocks and bonds by foreign investors hit a record high in 1991, the Finance Ministry reported Friday.

Foreigners bought a net 45,270 million dollars worth of Japanese stocks in 1991 after selling a net 16,081 million dollars worth of the stocks in 1990.

The ministry credited the turnaround to the slump in Japanese equity prices, which made the issues a relative bargain compared to other investments.

Foreign net purchases of Japanese bonds in 1991 reached an all-time high of 21,336 million dollars. The figure stood at 17,439 million dollars the year before.

A ministry official said the appreciation of the yen over the year and the anticipation of lower interest rates sharpened foreigners' appetite for Japanese bonds in 1991.

Japanese investors in 1991 decreased their net purchases of overseas stocks to 3,629 million dollars after buying a net 6,256 million dollars worth of foreign equities the preceding year.

They increased, however, their net purchases of overseas bonds to 68,202 million dollars in 1991, up from the 28,961 million dollar foreign net purchases recorded the year before.

Foreigners bought 1,350 million dollars more in Japanese stocks than they sold in December, down from November's 2,517 million dollars.

Foreigners remained net buyers of Japanese stocks for the 13th month in a row.

However, they became net sellers of Japanese bonds in December, unloading a net 1,298 million dollars' worth.

They had purchased a net 1,980 million dollars worth of Japanese bonds in November.

The official said the firm Japanese bond market prompted foreign investors to take profits on their holdings.

He attributed the market's strength to prospects of easier credit, lower U.S. interest rates, a stronger yen, lower domestic short-term interest rates, and last month's 0.5 percentage point cut in Japan's official discount rate to 4.5 percent per annum.

Japanese investors sold a net 362 million dollars in foreign stocks in December, in contrast to the net 651 million dollars they bought during the previous month.

They remained net buyers of foreign bonds, but their net purchases totaled a modest 2,727 million dollars against 4,313 million dollars in November.

December was the ninth successive month that Japanese were net buyers of foreign bonds.

Underneath is the balance of securities investments in million of dollars for 1991, released Friday by the Finance Ministry.

Foreign Investments in Japan			
	Purchase	Sales	Net
Stocks	139,060	93,791	45,270
Bonds	168,541	147,205	21,336
Total	—	—	66,606
Japanese Investments Abroad			
	Purchase	Sales	Net
Stocks	48,863	45,234	3,629
Bonds	1,232,885	1,164,683	68,202

Foreign Investments in Japan (Continued)

	Purchase	Sales	Net
Total	—	—	71,831

Note: 1. Bond investments exclude short-term securities.

2. The figures are different from those based on the balance of international payments.

Given below is the balance of securities investments in million of dollars for December 1991, released Friday by the Finance Ministry.

Foreign Investments in Japan

	Purchase	Sales	Net
Stocks	8,262	6,913	1,350
Bonds	11,394	12,691	-1,298
Total	—	—	52

Japanese Investments Abroad

	Purchase	Sales	Net
Stocks	2,342	2,704	-362
Bonds	92,572	89,845	2,727
Total	—	—	2,365

Note: 1. Bond investments exclude short-term securities.

2. The figures are different from those based on the balance of international payments.

LDP To Seek Measures To Revive Stock Market

OW3101044292 Tokyo KYODO in English 0426 GMT
31 Jan 92

[Text] Tokyo, Jan. 31 KYODO—Japan's ruling party, concerned with negative spinoff from the country's stagnating stock market, is looking into how to lure investors back to the trading floor, a senior party leader said Friday.

Tamisque Watanuki, secretary general of the Liberal Democratic Party (LDP), told a meeting of LDP executives if the stock market slump continues, it may jeopardize Japan's international pledge to keep its economy growing.

His remark caused an immediate impact on morning trading on the Tokyo Stock Exchange, boosting the key price indicator above the 22,000 yen level for the first time in about three weeks.

Watanuki said the recent brokerage scandal in which favored investors were given huge amounts of loss compensation money by securities companies was chiefly responsible for the current market slump.

He added that a lack of measures aimed at revamping the market has also added to investors' anxiety over the future outlook.

The government of Prime Minister Kiichi Miyazawa has set a 3.5 percent growth target for Japan's economy in fiscal 1992, beginning April 1.

Watanuki told reporters the government is now faced with the urgent task of reconstructing the securities market, adding the LDP will soon ask Finance Minister Tsutomu Hata and other cabinet ministers to cooperate in the changes.

Watanuki said he will also ask economic organizations, including the powerful Federation of Economic Organizations (Keidanren), to seek ways to revive stock trading such as boosting dividends to shareholders and revising the existing taxation system on capital gains.

Hata: No Need To Cut Discount Rate Further

OW3101021092 Tokyo KYODO in English 0150 GMT
31 Jan 92

[Text] Tokyo, Jan. 31 KYODO—Finance Minister Tsutomu Hata said Friday that current economic conditions in Japan do not warrant a further cut in the official discount rate.

Speaking after a regular cabinet meeting, Hata said, "We are watching the moves of market interest rates following the cut on December 30."

In its latest cut the Bank of Japan (BOJ) lowered the key lending rate by 0.5 percentage point to an annual 4.5 percent.

His remarks rebuffed speculation the increasing slowdown in economic growth and falling consumer prices have set the stage for a further easing of monetary policy.

The Economic Planning Agency recently admitted for the first time during the current downward cycle, along with the BOJ, that Japan's economy is in an "adjustment phase."

Hata said, "The market rates have fallen to the level that allows corporate capital spending to pay off well."

Asked about comments by a senior official of the ruling Liberal Democratic Party that the government should compile a supplementary budget for fiscal 1992 at an early date, Hata said he had heard nothing about it.

He said, "The first thing we have to do is to pass the draft budget through the Diet."

He added the tight labor market makes it difficult to carry out all the planned public works projects.

"It is important to actually mobilize the public works projects that have already been approved," Hata said.

Current Account, Trade Surpluses Up for 1991*OW3101072392 Tokyo KYODO in English 0706 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Japan's current account surplus for 1991 soared 103.0 percent over the year before to 72,598 million dollars, the Finance Ministry announced Friday. The ministry, in a preliminary report released the same day, said the nation's trade surplus for the year jumped 62.6 percent to 103,289 million dollars.

Exports in 1991 came to 306,597 million dollars while imports totaled 203,308 million dollars, the ministry said. In December, the current account surplus surged 166.4 percent from a year earlier to 10,082 million dollars, it said.

The ministry said the trade surplus climbed 56.8 percent to 12,704 million dollars, with exports up 3.4 percent at 28,698 million dollars and imports down 18.7 percent at 15,994 million dollars.

Officials React to Figures*OW3101094592 Tokyo KYODO in English 0924 GMT
31 Jan 92*

[Text] Tokyo, Jan. 31 KYODO—Japan's current account surplus doubled in 1991, boosted by a strong yen and cheap crude oil, helping push the trade surplus to a record high, the Finance Ministry said Friday.

The surplus in the current account—trade in goods and services, as well as investment income and government payments—vaulted 103.0 percent in 1991 from the previous year to 72,598 million dollars, the fourth largest in history, according to ministry figures. The unadjusted merchandise trade surplus grew 62.6 percent to a record 103,289 million dollars.

The trade surplus was jacked up by the rising value of the yen, which boosted the dollar values of exports, and a decline in crude oil prices, a ministry official said. Also swelling the surplus was a dramatic decrease in purchases of gold for investment purposes, the official said.

Of the 39.8 billion dollar rise in the surplus, the high yen and low oil prices accounted for some 20 billion dollars, and the drop in gold purchases for 12.8 billion, the official said. Japanese exporters' drive to sell more upscale products also contributed to the expansion of the surplus, he said.

The price for crude oil price fell 8.6 percent to an average 20.37 dollars per barrel in 1991 from 22.29 dollars in 1990. The dollar averaged 134.68 yen in 1991, down 7.3 percent from 144.48 yen in 1990, according to the official.

"Both exports and imports showed moderate increases of around 3 percent in terms of volume," the official said. Exports grew 9.4 percent in dollar terms to a record 306,597 million dollars, while imports dropped 6.2 percent to 203,308 million dollars.

The recent rise in the current account surplus continued in December, soaring 166.4 percent from a year earlier to a record 10,082 million dollars, Friday's statistics showed.

The month's trade surplus also hit a record high, rising 56.8 percent to 12,704 million dollars, as tumbling crude oil prices depressed imports by a sharp 18.7 percent to 15,994 million dollars. December exports rose a moderate 3.4 percent to 28,698 million dollars.

Government officials have been downplaying Japan's growing black ink with other countries, saying the trade surplus is now moving to slightly above 2 percent of the nation's gross national product, considerably lower than the peak of 4.4 percent in 1986.

"Japan's current account surplus is no longer viewed as a very serious problem among the Group of Seven (G-7) countries," a senior Finance Ministry official said recently. The seven major industrialized nations did not mention the issue in a joint statement they released after a meeting in New York of their finance ministers last weekend. Some economists in the private sector agree.

"The figures are nothing that should cause Japan to rush to take some measures to put a cap on the surplus," said Yoshihisa Kitai, a senior economist at the Long-Term Credit Bank of Japan. "The surplus at the current level is not really a problem."

"There is a myriad of other economic problems that are much more important to Japan, the U.S., and the world—like how to engineer a soft landing of the world economy and stock and land prices in Japan," he said.

Kitai said he does not believe there are any effective measures to cut Japan's trade surplus, predicting it will increase slightly in 1992.

The downswing in the surplus in 1990 was just a one-time phenomenon that occurred as several special factors—including a jump in oil prices at the onset of the Gulf war, the yen's decline, and an extraordinary increase in imports of luxury goods—converged to narrow the trade surplus, he said.

"The G-7 countries did not mention Japan's surplus because they are well aware that doing so is fruitless," Kitai said. "They also think trying to reduce Japan's surplus by guiding the yen higher could be counterproductive because too strong a yen could dampen the Japanese economy, thereby decreasing Japanese imports," he said.

But Toshio Ito, chief economist and general manager at Sumitomo Bank's Economic Department, said the trade surplus is nonetheless worrisome.

"The problem is that now Japan is the only major industrial country that runs massive trade surpluses," he said. "As economies in the U.S. and major European countries continue to be weak, Japan's surplus could be singled out as a big issue."

The two principal means to reduce Japan's trade surplus are to boost domestic demand and to push the yen higher, Ito said. But, Japan cannot do enough of either under current conditions to reduce the surplus, he said.

"I think there are still things that Japan should do to avoid being criticized for the large surplus, such as further opening Japanese markets and recycling the surplus to developing countries through economic aid," he said.

Nontariff barriers remain in the Japanese market, despite the government's rigorous efforts to open them, he argued. Ito cited Japan's "keiretsu" web of interlocking business relations, the country's complicated distribution system, and other "invisible" barriers to foreign access.

"Our argument that our trade surplus is not so large in relation to the size of the economy is unlikely to be accepted by our trading partners unless we make good efforts in removing these impediments," he said.

Balance of Payments for 1991 (in millions of dollars)

	'91	'90
Current Account	72,598	35,761
Trade	103,289	63,528
Exports	306,597	280,374
Imports	203,308	216,846
Invisible Trade	-18,220	-22,292
Transfer Payments	-12,471	-5,475
Long-Term Capital	36,628	-43,586
Basic Balance	109,226	-7,825
Short-Term Capital	-26,352	21,468
Errors and Omissions	-6,505	-20,877
Overall Balance	76,369	-7,234

**Balance of Payments for December 1991
(in millions of dollars)**

	Dec'91	Dec '90
Current Account	10,082	3,785
Trade	12,704	8,102
Exports	28,698	27,763
Imports	15,994	19,661
Invisible Trade	-2,302	-3,061
Transfer Payments	-320	-1,256
Long-Term Capital	3,237	-5,367
Basic Balance	13,319	-1,582
Short-Term Capital	-1,717	5,732
Errors and Omissions	-3,554	-6,714
Overall Balance	8,048	-2,564

Growth of Construction Orders Slows Down in '91

OW3101114092 Tokyo KYODO in English 1109 GMT
31 Jan 92

[Text] Tokyo, Jan. 31 KYODO—Orders received by 54 major Japanese construction companies in 1991 grew only 1.4 percent from the previous year, after recording consecutive double-digit growth from 1987 to 1990, an industry association reported Friday. The Japan Federation of Construction Contractors blamed the slowdown in part on a slump in the real estate market.

The 1991 orders totaled 25,725.5 billion yen, the federation said. Orders from the government rose 16.6 percent to 6,469.1 billion yen, including those related to the ongoing construction of the Kansai international airport on a man-made island in Osaka Bay.

Orders from the private sector decreased 2.3 percent to 18,511 billion yen, due to stagnant capital spending and decreased construction of condominiums.

1991 Housing Construction Said Down 19.7 Percent

OW3101095592 Tokyo KYODO in English 0917 GMT
31 Jan 92

[Text] Tokyo, Jan. 31 (KYODO)—Housing starts in Japan in 1991 fell 19.7 percent from the previous year to 1,370,126 units, the Construction Ministry reported Friday.

It was the sharpest year-to-year fall in housing starts since a 30.9 percent drop was recorded in 1974 immediately after the global oil crisis.

Ministry officials blamed the fall in part on decreased construction of condominiums for investment purposes.

They also noted that housing starts plunged to less than 1.4 million units from 1.6 to 1.7 million range recorded from 1987 to 1990. The officials said the drop is contributing to Japan's economic slowdown.

Starts on owner-occupied houses in 1991 decreased 9.6 percent from the year before to 440,058, while those for rental houses tumbled 27.6 percent to 583,924. It was the fourth consecutive year-to-year fall for both of those types of housing starts.

Construction of houses and condominiums for sale in 1991 shrank 19.8 percent to 304,479, the first such fall in five years.

Condominiums fell 20.2 percent to 190,412, the first drop in five years.

The ministry predicted housing starts in 1992 will also be in the 1.3 to 1.4 million range.

In December 1991, housing starts also dropped 19.7 percent from the previous December to 113,851 units, the 14th consecutive year-on-year decline.

Construction of owner-occupied houses in December sagged 0.4 percent to 33,560, after registering a year-on-year rise for the first time in 10 months in November.

Starts on houses and condominiums for sale in December plummeted 39.3 percent to 23,778, posting a year-on-year drop for the ninth straight month.

Starts on rental houses in December slumped 19.3 percent to 53,269, falling for the 17th successive month, the ministry said.

Employee Working Hours Decrease Slightly

OW3101094192 Tokyo KYODO in English 0914 GMT 31 Jan 92

[Text] Tokyo, Jan. 31 KYODO—Working hours of Japanese employees at firms with a work force of over 30 decreased 2.0 percent in 1991 to 2,016 hours, showing the nationwide drive for shorter work hours has made little progress, the Labor Ministry reported Friday. The ministry said, however, that the decrease was the largest since a 3.5 percent fall was recorded in 1974.

The ministry said the average monthly pay rose a net 0.4 percent to 384,919 yen, lowest since the same 0.4 percent in 1981.

Ministry officials attribute the decline in working hours mainly to management efforts to cut overtime.

The officials said the slow progress in the reduction of work hours makes it difficult for the government to attain its goal of 1,800 hours per year by the end of fiscal 1992. They said regular work hours dropped 1.5 percent or 25 hours to 1,841 hours in 1991, while overtime plunged 6.8 percent or 11 hours to 175 hours. The officials said monthly regular salaries increased 4.2 percent but overtime allowances decreased 2.0 percent.

In December, the ministry said per capita working hours were down 2.1 percent from a year earlier to 167.5 hours. Reflecting the economic slowdown, overtime work hours fell 12.8 percent, the sharpest decrease since July 1975 when a 14.7 percent fall was posted, the ministry said.

'Low-Priced' HDTV's Planned for Domestic Use

OW3101140992 Tokyo KYODO in English 1256 GMT 31 Jan 92

[Text] Osaka, Jan. 31 (KYODO)—Sharp Corp. on Friday announced it will soon start marketing relatively low-priced high-definition television (HDTV) sets.

The new "home-use" HDTV, a 36-inch type with built-in decoder, will go on sale on April 10 for 1 million yen, company officials said.

This announced price is well below the 3.5 to 4.5 million yen for the currently marketed HDTV set with built-in full-function decoders.

A decoder converts the digitally encoded picture data back into its original form.

The officials said the company succeeded in lowering the price by simplifying the processing of stationary images and developing highly integrated circuits.

The Sharp decoder insures high-definition reception with the full 1,125 scan lines, they said.

Like HDTVs with built-in full-function decoders now on sale in Japan, the new HDTV offers cinema-quality clarity, except for stationary images.

In Sharp's decoder, the previously complex and hence costly separate processing of stationary images has been bypassed, the officials said.

The new HDTV also has a built-in converter which converts the HDTV signal to a signal capable of being recorded on a lower-resolution conventional videocassette recorder (VCR).

North Korea

Signing of Nuclear Safeguards Accord Announced

SK3001224692 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 30 Jan 92

[Text] The nuclear safeguards accord required by the Nuclear Nonproliferation Treaty was signed at the headquarters of the International Atomic Energy Agency [IAEA] in Vienna, Austria, by the DPRK Government and the IAEA yesterday.

The accord was signed by Hong Kun-pyo, vice minister of the Ministry of Nuclear Energy, on authorization of the DPRK Government, and by Hans Blix, IAEA general secretary, on authorization of the IAEA.

Foreign Ministry Statement on Signing

SK3001155892 Pyongyang KCNA in English 1517 GMT 30 Jan 92

["Signing of NSA (Nuclear Safeguards Agreement) Is Brilliant Fruition of Dprk Government's Consistent and Tireless Efforts for Fair Implementation of NPT (Nuclear Nonproliferation Treaty)—Statement of DPRK Foreign Ministry Spokesman"—KCNA headline]

[Text] Pyongyang January 30 (KCNA)—A spokesman for the Ministry of Foreign Affairs of the Democratic People's Republic of Korea issued the following statement today upon the signing of the Nuclear Safeguards Accord (NSA) by the DPRK under the Nuclear Nonproliferation Treaty (NPT):

A prospect for the solution of the nuclear problem on the Korean peninsula has been opened at last by the consistent stand and active efforts of the government of the Democratic People's Republic of Korea for a fair implementation of the NPT.

A DPRK delegation signed the NSA with the International Atomic Energy Agency (IAEA) under the NPT in Austria on January 30.

Now our people are warmly hailing the signing of the safeguards accord with the expected realisation of the denuclearisation of the Korean peninsula which is directly linked with the vital interests of our nation and which had been desired by the entire people and the creation of circumstances and conditions for us to sign it.

The world people also rejoice over the positive trend of development on the Korean peninsula where the danger of a nuclear war has been most keenly felt on the globe.

Our signing of the safeguards accord this time is a brilliant fruition of the consistent and tireless efforts of the government of our Republic for a fair implementation of the NPT in conformity with the mission and idea of the treaty and a result of the response of the United States and the South Korean authorities to our principled demand.

It is the basic idea and mission laid down by the NPT to avert the danger of nuclear war and guarantee world peace and security.

Our Republic joined the NPT as a step to establish a nuclear non-proliferation system, get the U.S. nuclear weapons withdrawn from South Korea, remove the nuclear threat of the United States to us and turn the Korean peninsula into a nuclear-free zone for averting the danger of nuclear war on the Korean peninsula and achieving the sovereignty of the country and the nation.

Our country's joining the NPT under the specific circumstances and conditions created on the Korean peninsula was based on the peaceful anti-war, anti-nuclear policy of our Republic and, to all intents and purposes, was motivated by its patriotic stand.

After joining the NPT in December 1985, the government of our Republic has remained faithful to its treaty obligations even under the critical situation in which the U.S. nuclear threat increased and the danger of the outbreak of a nuclear war on the Korean peninsula grew hourly and has made active and sincere efforts to discharge the basic mission and attain the purpose of the treaty on the principle of international justice and equality.

After signing the NPT we put forward many proposals and made all sincere efforts to get the U.S. nuclear weapons withdrawn from South Korea and denuclearize the Korean peninsula, true to our treaty obligations. We had discussions with the IAEA Board of Governors on several occasions over the question of signing the safeguards accord and, in July last year, took progressive steps such as completing the arrangement of the safeguards accord text.

The United States, however, contrary to our desire and efforts to faithfully implement the treaty, has threatened us with nuclear weapons, far from withdrawing its nuclear weapons from South Korea, while trying to avoid fulfilling its legal obligations under the NPT, and put unilateral pressure on us to accept a nuclear inspection, raising a hue and cry over the fictitious "nuclear development" by us.

The United States, a nuclear weapons state, began to introduce nuclear weapons in quantities in South Korea in the mid-1950s and deployed a large number of nuclear weapons in its forward areas even after our country signed the treaty.

The United States, the country with which the treaty is deposited, has gone against the basic mission of the treaty, openly threatening and blackmailing us with nuclear weapons by staging the "Team Spirit" joint military exercises, a test nuclear war against us, across South Korea with the mobilization of armed forces more than 200,000 strong annually from 1976.

Consequently, a strained situation in which a nuclear war might break out any moment constantly prevailed in our country and to remove the nuclear threat stood out accordingly as a matter of vital importance related to the survival of our nation.

It is self-evident that any smooth implementation of an international convention is out of the question whilst the U.S. nuclear weapons are leveled at one's heart and international pressure little short of interference in one's internal affairs is not removed.

All the international conventions can fully display their missions only when all their signatories faithfully fulfil their obligations under them. Any unilateral pressure deviating from equality and impartiality will not provide any solution to the implementation of the conventions.

We who hold independence dearer than our lives have consistently maintained that if the nuclear inspection problem is to be solved in our country in a fair way, the U.S. nuclear weapons must be withdrawn from South Korea and the U.S. nuclear threat to us be removed, first of all. Unable to turn their back on this principled and just demand any longer, the South Korean authorities published a "Declaration on the Absence of Nuclear Weapons" in December last year and then agreed to the "Joint Declaration on the Denuclearization of the Korean Peninsula." And the United States welcomed the South Korean authorities' "Declaration on the Absence of Nuclear Weapons" and announced the discontinuation of "Team Spirit" this year jointly with the South Korean authorities.

And the United States accepted our call for a DPRK-U.S. bilateral negotiation as regards the nuclear inspection problem and responded to high-level talks.

Thus the basic obstacle was removed in our signing the safeguards accord and positive circumstances and conditions were created for us to sign it.

This is entirely a fruition brought by the government of our republic which put forward an independent line based on the *chuche* idea and made sustained efforts for its materialisation. And it is a shining victory of the consistent line of the government of our Republic which has thought and decided everything, always putting the interests of our nation in the first place.

When we undergo an inspection with the signing of the safeguards accord this time, the shady background of the false row and anti-DPRK campaign of some countries which have tried to mislead public opinion and disparage us, while resorting to all intrigues to create the impression that we "are developing nuclear weapons", will be fully laid bare.

Those who are still dreaming of abusing the problem of our nuclear inspection for the attainment of their aim will experience a bigger shame and failure under the eye of the world.

Our people will in the future either will not tolerate the slightest act of interfering in our internal affairs and impairing the dignity of our nation.

We mean what we say. We do not like empty words.

The government of our Republic faithful to the NPT declares once again that we will ratify the Nuclear Safeguards Accord in the shortest possible date and then accept with dignity a nuclear inspection according to procedures agreed upon with the International Atomic Energy Agency.

U.S. Commander's Remarks on N-Weapons Criticized

SK3101113892 Pyongyang KCNA in English
0959 GMT 31 Jan 92

[Text] Pyongyang January 31 (KCNA)—RisCassi, commander of the U.S. imperialist aggression forces occupying South Korea, told "KOREA TIMES" on January 27 that he "advised" the South Korean authorities not to hasten too much the solution of the "question of North Korea's nuclear weapons development programme" and South Korea would remain under the U.S. "nuclear umbrella", according to a report from Seoul.

As for the instructions given by RisCassi to the South Korean puppets over the "question of the DPRK's nuclear weapons development programme", it is a ruse to keep the U.S. imperialists' occupation policy in South Korea from falling to pieces.

It has become clear that when the inspection by the International Atomic Energy Agency is carried out, the fiction of the DPRK's "development of nuclear weapons" over which the United States has shouted itself hoarse will be brought into a glaring light and the United

States will be left with no ground whatsoever to station its troops in South Korea any longer.

The United States, perplexed by this, let the commander of the occupation forces give an order to the puppets "not to make haste" in raising the "nuclear development problem" in an attempt to gain time to invent a new pretext to justify its policy of occupation.

By continued protection of South Korea with "nuclear umbrella" the United States means that it will go on to threaten our Republic with nukes, ignoring the "Joint Declaration on the Denuclearisation of the Korean Peninsula" agreed upon and adopted by the North and the South and that it will continue to harass peace on the Korean peninsula and in Asia and the rest of the world.

The utterances of RisCassi that the role of the "U.N. Forces Command" will not change in South Korea betrayed the criminal intention of the United States not to implement the resolution of the 30th U.N. General Assembly but to use the United Nations as a tool for its aggression, going against the trend of the times. Facts show that the U.S. ruling quarters did not mean what they said in welcoming the adoption of "Joint Declaration on the Denuclearisation of the Korean Peninsula" and "Agreement on Reconciliation, Nonaggression, Cooperation and Exchange between the North and the South" and they are desperately trying to bar their implementation.

Foreign Ministry Welcomes El Salvador Cease-Fire

SK3101111392 Pyongyang KCNA in English
1048 GMT 31 Jan 92

["DPRK Foreign Ministry Spokesman Welcomes Cease-fire Agreement in El Salvador"—KCNA headline]

[Text] Pyongyang January 31 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea in a statement today welcomed the ceasefire agreement signed between the Salvadoran Government and the Farabundo Marti National Liberation Front that will come into effect on February 1.

Noting that the ceasefire will mark a good occasion in paving the way of national reconstruction in El Salvador and contribute to the preservation of peace and stability in Central America, he said:

We highly appreciate the efforts of Latin American countries including Mexico which made a contribution to the signing of the ceasefire agreement in El Salvador.

The Korean people sincerely hope the Salvadoran people will achieve reconciliation and unity in accordance with the ceasefire agreement and thus attain common prosperity of the nation.

We hope the ceasefire agreement will be implemented in favor of the interests of the signatories to it.

Further on Korea Reunification Meeting in Paris

Executive Committee Speeches Noted

SK3101114192 Pyongyang KCNA in English
1010 GMT 31 Jan 92

[Text] Pyongyang January 31 (KCNA)—Speeches were made at the enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) which was held in Paris.

Om Prakash Mantri, secretary general of the Asian Regional Committee to support Korea's reunification and secretary general of the all India Indo-Korean Friendship Association, stressed in his speech that the adoption of an agreement and a joint declaration on denuclearization between the North and the South of Korea powerfully demonstrated the validity and vitality of the policies and proposals for national reunification put forward by president Kim Il-song.

He called for further intensifying the international solidarity movement for supporting the Korean people's cause of reunification.

Robert Parry, vice-chairman of the Cilreco and member of the House of Commons of Great Britain, said that there is no reason for the United States to keep its troops and nuclear weapons and other military equipment in South Korea and the pullout of U.S. troops is a preferential matter in promoting the implementation of the inter-Korean agreement.

Jacques Denis, member of the C.C. [Central Committee], the French Communist Party [FCP] and deputy head of the International Department of the FCP, pointed out that what is more important today after the adoption of the inter-Korean agreement and joint declaration on denuclearization is to get the U.S. forces withdrawn from South Korea, put an end to the interference of the United States in the internal affairs of Korea and ensure the national right to self-determination in the solution of the Korean question.

The anti-DPRK campaign conducted by the United States and the South Korean authorities under the pretext of nuclear inspection is an utterly groundless plot and it is none other than the United States that should be condemned as regards the nuclear question.

Ludo Martens, chairman of the C.C., the Belgian Labour Party, said that the anti-DPRK campaign of the U.S. imperialists is aimed to overthrow the socialist system in the Korean peninsula and expand their neo-colonialist domination. If the United States and the South Korean authorities reckon that German style "reunification through absorption" is possible in the Korean peninsula, it is a miscalculation, he pointed out.

Robert Charvin, vice-chairman of the Cilreco and secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea, said that

the release of the patriotic democratic figures including student Yim Su-kyong, Father Mun Kyu-hyon and Rev. Mun Ik-hwan who struggled for national reunification is a step that the South Korean authorities should take before anything else in implementing the inter-Korean agreement.

Stanley Faulkner, vice-chairman of the Cilreco and chairman of the U.S. Lawyers Committee on Korea, emphasized that the steps the U.N. should take at present are to dismantle the "U.N. Forces Command" in South Korea, get all the foreign troops including the U.N.-flagged U.S. forces withdrawn from South Korea and replace the Korea Armistice Agreement with a peace agreement.

Joe Debono Grech, deputy leader of the Malta Labour Party, said it is anachronistic, not free from the cold war conception to pursue hostile policy towards the Democratic People's Republic of Korea, a full-fledged U.N. member state. He demanded that the Western countries help in the positive solution of the Korean question, looking straight at the trend of the times.

Hiroshi Wakabayashi, vice-chairman of the Cilreco and director of the Secretariate of the Japan Committee to Support the Independent and Peaceful Reunification of Korea, said that the anti-DPRK campaign by the Japanese authorities over the issue of nuclear inspection is a foul act going against developments in the Korean peninsula. He called upon the world public to heighten vigilance against the danger of the revival of Japanese militarism.

Delegates Meet Communist Leaders

SK3101054992 Pyongyang KCNA in English
0516 GMT 31 Jan 92

[Text] Pyongyang January 31 (KCNA)—Blasco Hugo Fernandes, chairman of the Democratic Intervention of Portugal, Eric Trevett, general secretary of the Central Committee of the New Communist Party of Great Britain, Ingve Iversen, chairman of the Central Committee of the Norwegian Communist Party, and Rolf Hagel, chairman of the Labour Party-Communists of Sweden, respectively met the delegation of the Workers' Party of Korea participating in the enlarged meeting of the Executive Committee of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) in Paris on January 25.

They said they should learn from the experience of the Workers' Party of Korea which is successfully building Korean-style socialism in keeping with the specific conditions of Korea as required by the *chuche* idea.

They expressed the hope that the Workers' Party and people of Korea under the wise guidance of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il would repulse the imperialist challenges, continually register successes in socialist construction and thus give strength and courage to the

communist and workers' parties and the world's revolutionary people fighting for socialism.

They declared that they would more forcefully conduct the solidarity movement for supporting Korea's reunification.

ASEAN Meeting Hailed; 'Positive Role' Noted

*SK3101055692 Pyongyang KCNA in English
0533 GMT 31 Jan 92*

[Text] Pyongyang January 31 (KCNA)—The Korean people sincerely rejoice at and hail the good results registered by the fourth meeting of the heads of government of the ASEAN through a successful discussion of the agenda items, says MINJU CHOSON in a signed commentary today.

Since its founding in 1967, the ASEAN has striven to realise regional and economic cooperation and achieve social progress and prosperity, the article notes, and continues:

This time, the leaders and ministers of foreign and economic affairs of the ASEAN countries got together to discuss the matter of extending and developing political and economic cooperation on to a higher level and jointly seek practical measures. This has promoted peace and security in that region and facilitated the denuclearisation of Southeast Asia.

The positive role of the ASEAN contributes to progress and prosperity in southeast Asia and the rest of Asia.

Independence, peace and a new life are the common desire of the Asian people.

Japan which inflicted immeasurable misfortunes and disasters on the Asian people in the past is rapidly accelerating nuclear armament with a dream of becoming a military power behind the curtain of "peace constitution." This grave act threatens peace and security in Asia and might plunge the Asian people into a horrible nuclear scourge.

When the Asian people strengthen unity and cooperation, they can preserve peace and security in this region and achieve common prosperity.

The DPRK Government and the Korean people will strengthen unity and cooperation as ever with the peoples of southeast Asian countries to build a new Asia, independent, peaceful and prosperous, under the motto of independence, peace and friendship.

The Korean people wish the ASEAN people greater success in their efforts to build a new Asia.

Shipbuilding Progress of Various Complexes Marked

*SK2901151992 Pyongyang KCNA in English
1459 GMT 29 Jan 92*

[Text] Pyongyang January 29 (KCNA)—Shipbuilding is brisk in the Democratic People's Republic of Korea.

The North Hamgyong provincial shipbuilding complex is increasing the shipbuilding speed to assemble 14,000-ton and 20,000-ton cargo vessels and a big passenger ship in two or three months.

Hull assembling of the passenger ship "Mangyongbong 92" which was so designed as to sail safely in high speed through a rough sea has been completed and the engine power system, electric control system and pipe system are in the finishing stage.

The building of a 6,000-ton floating dock and various types of ships such as 3,750-ton fishing boat, dredger and crane ship is in full gear at the Nampo shipbuilding complex.

The complex will shortly launch a new-type passenger ship "Chong-il Peak-children".

The Wonsan Shipyard is assembling 3,750-ton fish shoal detecting boats and other kinds of technical ships and 1,000-ton fishing boat.

Mining Efforts Throughout Coal Industry Viewed

*SK3001151892 Pyongyang KCNA in English
1505 GMT 30 Jan 92*

[Text] Pyongyang January 30 (KCNA)—Big efforts have consistently been directed to the coal industry which is regarded in Korea as one of the preferential branches of the national economy.

In his New Year address the great leader President Kim Il-song set forth a task to ensure a steady production on a high level at the coal mines and explore new coal mines so as to definitely increase the output of coal.

Coal miners across the country, determined to carry out this task, are giving definite precedence to tunneling to create sufficient cutting faces and, at the same time, improving the mechanization level of cutting faces, thus bringing about a new upswing in coal production from the beginning of the year.

According to data available, above 300,000 more tons of coal has been put out this month than in the like period last year, taking the ministry of coal industry as a whole.

The construction of coal mines is progressing fast along with the growth of coal production.

Yi Pyong-yong, vice-director of the Planning Department of the Ministry of Coal Industry, said they set themselves a goal of creating an additional production capacity of 8.6 million tons this year by accelerating the construction of new coal mines and pits in different districts and reconstructing the existing ones on an extensive scale.

Hence, the construction of the Hwapung Coal Mine and Slope Pit No. 2 of the Chili Coal Mine and Wonbuk Pit of the Soho Coal Mine in the coal-rich Anju District, the Hannyong Coal Mine in the Sunchon District and the Kukdong and Soksong Coal Mines in the Northern

District has been pushed forward in full scale, with the result that the completion of some projects is just around the corner.

The construction of belt conveyer lines for the modernization of transport is being accelerated at coal mines.

The total length of the belt conveyer lines due to be completed this year at major coal mines in the Tokchon, Sunchon, Kaechon, Kujang and Pukchang Districts is 13.8 kilometres.

Technical Movement Aids Economic Development

*SK3001152292 Pyongyang KCNA in English
1511 GMT 30 Jan 92*

[Text] Pyongyang January 30 (KCNA)—The April 15 Technical Innovation Shockbrigade Movement is brisk in all domains and at all units of the national economy of Korea.

According to data available, over 120,000 valuable technical innovation proposals have been carried into effect last year by the shockbrigades across the country.

Thus, they helped save a large amount of power, fuel and materials including 519 million kwh [kilowatt-hours] of electricity, 457,000 tons of coal, 70,000 tons of steel and 47,000 tons of oil.

The "April 15 Technical Innovation Shockbrigade" Movement is a collective technical innovation movement of technicians and producers and a massive movement for creating new technologies to rapidly develop sciences and technologies and production by closely combining them.

The April 15 technical innovation shockbrigade was formed early in 1980 with high skilled workers and technicians of factories and enterprises across the country.

Slogans Aid Development of Economic Construction

*SK3101153892 Pyongyang KCNA in English
1504 GMT 31 Jan 92*

[Text] Pyongyang January 31 (KCNA)—The Korean people are effecting a revolutionary upswing in socialist economic construction under the slogan "Let us thoroughly implement the New Year address of the great leader Comrade Kim Il-song!"

The dear leader Comrade Kim Chong-il said:

"Our working class and other working masses accept the party's slogans as their own and work and live in a revolutionary way as required by the slogans."

The Workers' Party of Korea laid down the most correct line and policy in each period of the revolutionary development and successfully fulfilled the tasks in the revolution and construction with revolutionary slogans as the stimulant.

After the liberation of Korea, the party successfully carried out the historic task of land reform under the slogan "Land to the tillers!"

In the most rigorous period of the early 1950's, it put up the slogans "Everything for victory in the war!" and "Everything for the postwar rehabilitation and development of the national economy!" Under which the Korean people defended the freedom and independence of the country by defeating the U.S. imperialists in the three years of war (June 1950-July 1953) and rehabilitated the severely destroyed national economy in a short period.

In the latter half of the 1950's when the Chollima movement was in full gear, the Korean people in high feather displayed the revolutionary spirit of self-reliance, renewed the rated capacity and norms in production and construction and created new norms and new records in hearty response to the party's slogan "Charge at the speed of Chollima!"

The workers of the Kangson steel works produced 120,000 tons of steel at the blooming mill with a rated capacity of 60,000 tons a year while the workers of the Kim Chaek iron and steel works turned out 270,000 tons of pig iron at the blast furnace with a rated capacity of 190,000 tons a year.

13,000 machine-tools were produced a year outside the state assignment.

In those days the first truck, tractor, bulldozer, water pump and other machines and equipment were produced in Korea.

In the 1957-1960 period, the gross industrial output value increased 3.5 times and the annual average growth rate of industrial production was 36.6 percent.

The Korean people brought the great Chollima upsurge to a higher tide and fulfilled the historic task of socialist industrialisation in 14 years (1957-1970).

In the 1970's, they pushed ahead with production and construction under the slogan "Let us advance in the revolutionary spirit of Chollima spurred on by the speed campaign!"

In the 1970-1979 period, the industrial output annually increased at the rate of 15.9 percent and the gross industrial output value 3.8 times.

In the 1980's, the party defined the modelling of the whole society on the chuche idea as the general task of the revolution and put up many slogans to accomplish the cause.

Under the party's slogans "Let us all live and struggle like heroes!" and "Let us all create the 'speed of the 80s'!" the heroic Korean people unreservedly demonstrated their resourcefulness and courage in the revolution and construction.

They built the West Sea barrage, the Taechon Power Station, the first-stage portion of Sunchon vinalon complex, Changgwang and Kwangbok Streets and the May Day Stadium in Pyongyang and many other grand monumental edifices and consolidated the foundation of the independent national economy by giving full play to mass heroism and creative wisdom.

They are now vigorously advancing for a new victory in socialist construction under the party's slogan "Let us all march forward for a new victory in the 90's under the leadership of the party!"

Enhancing Party's Leadership Role Stressed

*SK3101044492 Pyongyang Korean Central
Broadcasting Network in Korean 0009 GMT 26 Jan 92*

[NODONG SINMUN 26 January special article: "The Party's Leadership Is the Decisive Guarantee for Strengthening the Main Force of the Socialist Cause"]

[Text] In his New Year's address the great leader Comrade Kim Il-song, elucidating that the basic key to exalting the superiority of our country's socialist system and to vigorously accelerating socialist construction lies precisely in strengthening the main force of the revolution and enhancing its role, set forth the task of thoroughly realizing the party's leadership in all fields of social life. Strengthening the party's leadership is the basic key to firmly building the main force of the socialist cause and enhancing its role.

The great leader Comrade Kim Il-song has taught: We should strengthen by all means the political and ideological unity of the party and the masses by enhancing the party's leadership role in all fields of social life and, thus, should see to it that all the working people fully display their revolutionary zeal and creative positiveness.

The main force of the revolution is the unified body of the leader and the masses, and the working class's party forms the core unit, that is, the guiding force, in the main force of the revolution. In light of the position that the party occupies in the main force of the revolution and the role that the party plays in it, the question of the party's leadership in strengthening the main force and enhancing its role becomes a very important and principled question.

The formation of the main force of the revolution and its consolidation and development are closely related to the party's leadership. As the revolutionary struggle is strengthened and socialist construction enters a high stage the party should further enhance its leadership role. The course of strengthening the party's leadership is synonymous with the course of strengthening the main force of the socialist cause. The party's leadership makes the popular masses conscious and organized.

As taught by the dear leader Comrade Kim Chong-il, only the working class's party makes the popular masses become the mighty main force of the revolution which

pioneers its own destiny independently and creatively by making them conscious and organized. That the party makes the popular masses conscious means to arm them with the leader's revolutionary ideology, that is, the ideology of independence, and, thus, to make them be aware of their independent demands, interests, and strength. That the party makes the popular masses organized means to make them be aware of their social and class status and mission and, based on this, united and rallied as one political force.

The popular masses can become the independent main force of the revolution only when their consciousness is raised and when they are organized. The party plays the role of arming the popular masses with the independent revolutionary ideology, the leader's ideology, and rallying them organizationally. The leader's revolutionary ideology is the independent revolutionary ideology which correctly reflects the popular masses' independent demands, aspirations, and interests. It is the ideological foundation which unites and rallies the popular masses. The working class's party arms the popular masses with the independent revolutionary ideology and rallies them organizationally so that they can become a mighty social and political organization which pioneers its destiny by itself with the awareness of being the master.

The revolutionary movement is the popular masses' conscious and organized movement. The revolutionary struggle begins with arming people with an advanced ideology and with rallying them organizationally and wins victory therefrom. The party strengthens by all means the main force of the socialist cause by arming the popular masses with an independent consciousness and rallying them organizationally through its revolutionary leadership.

At the base of man's thoughts and acts lies ideological consciousness. One's ideological consciousness plays a decisive role in one's cognitive activity and practical activity, and it relies on its character and content. One's stand, attitude, and activity are regulated according to one's ideological consciousness. Independent ideological consciousness actively inspires the popular masses' struggle for independence. The popular masses can unanimously rise up in the struggle to pioneer their destinies independently and creatively with their awareness of being the masters of the state and society only when they are armed with the independent revolutionary ideology through consciousness-raising under the party's leadership.

The party's leadership also sees to it that the leader and the masses are linked by kindred ties and that the popular masses' political and ideological unity with the leader as the center is firmly deepened. The party forms the backbone of the independent social and political organism, and the kindred ties between the leader and the masses are realized through the party's leadership.

The party sums up in a timely manner the demands and aspiration of each of the popular masses—who form a

social group—through party organizations and other political organizations led by the party, and channels these demands and aspirations to the leader. Members of social groups are linked to and united with the leader for kindred ties through their party activities. The party clearly informs members of social groups of the struggle goal, the direction of action, and the policy of activity set forth by the leader—who is the brain of the social and political organism—through party organizations and other political organizations led by the party. Thus, the party leads members of social groups to wage their activities according to this. In this way, the party sees to it that the (?revolutionary) activities of groups are carried out under the unified command of the leader.

As the leader and the masses are linked and united as kindred ties under the party's leadership the leader, the party, and the masses become a body bound together by common destiny which cannot be separated. Such a body bound together by common destiny becomes a solid and mighty social and political organism. The party's leadership also unifies the individual's interests and collective interests and further strengthens unity and cooperation among people in social and political groups.

In the socialist society the individual person's destiny is closely linked to the group's destiny, and group's interests are unified with individual person's interests. The role of the working class's party is very great and heavy in closely unifying the individual person's interests and the group's interests and in seeing to it that individual person's destiny is pioneered along with group's destiny.

Through its leadership role, the party, which is a political organization in which people are rallied on the basis of the commonness of ideology and ideal and a weapon which struggles to defend and realize the popular masses' interests, unifies the individual's interests and the group's interests and strengthens unity and cooperation among the people. In the main force of the revolution, which is a social group, the common demands and interests of a group become the demands and interests of an individual person, and the demands and interests of an individual person become a part of the demands and interests of a group. However, apart from the party's leadership these demands and interests of both the individual and the group cannot be unified into one.

Only when they are blessed with the party's leadership can the popular masses unify the collective interests and the individual's interests within a social group and, at the same time, become the mighty main force which pushes ahead with the socialist cause. The problem of how high the collective strength of the popular masses can be displayed is determined depending upon how the working class's party unifies the individual's interests and collective interests and, thus, strengthens the popular masses' unity and cooperation in its leadership of them.

Strengthening the party's leadership becomes a firm guarantee not only for strengthening the main force of the

socialist cause, but also for enhancing its role. The purpose of strengthening the main force of the revolution is to vigorously accelerate the revolution and construction by enhancing its role. Accordingly, the revolution and construction are to victoriously advance on the strength of the role of the main force. Enhancing the role of the main force means to fully exalt the creative power of the popular masses who are firmly united as one around the party and the leader. The might of the main force of the revolution is synonymous with the might of the popular masses' singlehearted unity, and the source of such a might lies in the party's leadership. The popular masses have the exhaustible strength and wisdom of not only advancing the revolution and construction, but also creating history. However, this strength and wisdom are not exalted spontaneously.

People exert the best of their devotion and creativity when they accept the revolution and construction as their own cause. The significance of the party's leadership lies in waking the popular masses to the wholehearted acceptance of the revolution and construction as their own work.

The strong driving force of socialist construction is the popular masses' political and ideological force, their self-conscious enthusiasm and creative activity, and it is the demand of the chuche idea that they give major emphasis to ideological indoctrination.

The party enhances the popular masses' self-consciousness and activeness by giving priority to the ideological remodeling and political work over all other types of work and deepening this work. The party is the indoctrinator of the masses, and it is the political general staff that accelerates the revolution and construction by organizing and mobilizing the masses.

Political work and the work with people are the party's basic work, and the work of indoctrinating and arousing people is carried out by the party organizations. The process of strengthening the party's leadership is the process of arming the party members and the working people firmly with the party's line and policy, uniting them, and arousing their enthusiasm to implement the party's policy.

When the party organizations give priority to the work with people and political work, and the popular masses vigorously launch themselves into the revolutionary struggle and construction work deeply learning the party's line and policy and exerting high self-consciousness and activeness, they can successfully carry out any revolutionary task.

When the masses set out to work with high self-consciousness and enthusiasm under the party's correct leadership, there cannot be any fortress that cannot be occupied in carrying out the socialist cause. This is a stern truth proven by the entire history of the socialist construction in our country.

The party's leadership is also the source that enables the popular masses to highly exert their collective might and mass heroism. The might of the popular masses lies in their unity, and there is no force in the world greater than the force of the united people.

The working class party is the only guiding force of society that enables the broad popular masses to wage a consistent struggle with one objective and one aspiration through its strategic and tactical leadership. The working class party enjoys the sole leadership position that is capable of organizing, mobilizing, and moving not merely one or two people or strata of society but all the people as one. Therefore, it is the party that carries out the work of organizing and guiding the heroic struggle of all the people and having them exert their collective strength.

Our party has always put forth the chuche-oriented lines and policies suitable for our people's aspiration and the reality of our country and organized and mobilized all the people, creating miracles in socialist construction with the heroic struggle of all the people to the amazement of the people of the world. This shows that strengthening the party's leadership is a mighty way to enhance the role of the main force of the revolution and vigorously push forward the revolution and construction.

Today, the socialism of our country has been victoriously advancing demonstrating its vitality despite the imperialists' frenzied antisocialist maneuvers. The important source of the indestructibility and might of the socialism of our own style is that the wise leadership of our party which, through the enhancement of its leadership in all fields of social life, firmly solidifies the main force of the revolution to give full play to its might.

Party Lauded as Veteran, Yet Youthful

*SK3101064192 Pyongyang Korean Central
Broadcasting Network in Korean 0006 GMT 28 Jan 92*

[NODONG SINMUN 28 January special article: "Ours Is a Veteran and Hot-blooded Party Full of Ambition and Passion"]

[Text] Struggling with youthful ardor and ambition and full of vigor is precisely an important, peculiar nature of our party which is leading the people's destiny in a responsible manner.

The great leader Comrade Kim Il-song has taught: Our party is not only a veteran party which has done many things while traversing the long and arduous road of the revolution, but is also a hot-blooded party full of ambition and passion.

Our party is not only a veteran and tested party which has been tempered amid the protracted and arduous struggle, but is also a hot-blooded, youthful party full of ambition and passion. Having such a party is precisely the great glory and pride of our people. The revolution continues to advance forward, and the people's struggle

for realizing independence invariably continues. The working class's party is the general staff, the guiding force, which leads the revolutionary struggle and construction to victory. Therefore, the party should vigorously carry out all activities in conformity with the demands of the times and the revolution and with the aspiration of the popular masses and should actively struggle in a revolutionary manner.

In particular, because history and the revolution have advanced far, it is more important for the party to struggle full of vigor. That the party leads the revolution and construction energetically, vigorously, and filled with ambition is an important problem related to the destiny of the party and the revolution. Only when the party is full of youthful vigor can the popular masses have revolutionary spirit and combat strength and the revolution itself be constantly advanced. Today our party is seething with revolutionary vigor and is full of vitality like a hot-blooded youth. This is precisely the proud appearance of our party today.

Our party is boldly and broadly unfolding all tasks with far-reaching aspirations and a firm faith in victory. The party is the weapon of the revolution and the weapon of struggle and advance. In order for the party to smoothly perform its mission and role, it is imperative to lead the revolution and construction to a constant upsurge with far-reaching aspirations and a firm faith in the future. In order for the party carrying out the revolution to become a vigorous, hot-blooded youthful party which boldly and broadly conducts operations, it is imperative to set forth a scientific and revolutionary line and strategies and tactics and to launch into work boldly and on a daring scale.

Our party today, unfolding the grand program and brilliant blueprint for consummating the revolutionary cause to the end under the revolutionary banner of the chuche idea, is aggressively pushing ahead with the struggle for their realization. Our party is boldly planning and implementing all work, including setting forth a correct struggle goal, mapping out strategy and tactics and organizing efforts to achieve the goal, and setting forth struggle methods to achieve it. Herein lies the might of our party which has overflowing vigor and passion and powerful combat strength.

Our party's will and determination to consummate the popular masses-centered socialism to the end are firm and invariable. Included in the dear leader Comrade Kim Chong-il's document, "The Popular Masses-centered Socialism of Our Own Style Is Ever-Victorious and Invincible" are the iron-like will and matchless mettle of our party to realize our revolutionary cause to the end under the banner of the chuche idea.

Looking ahead at the far future of the revolution and foreseeing not only today, but also tomorrow in a scientific manner, our party is boldly and broadly planning and implementing all tasks. Even in the human reform work the party has set forth an extraordinarily high goal

in fostering all people to become communist revolutionaries of the *chuche* type. In the work of promoting the people's material and cultural life the party has sought to provide living conditions under which people have nothing to envy. When it plans and organizes a task, including erecting a building, our party sets its goal first as the starting point.

The goal that our party set forth is not only grand, but also scientific and realistic. Because of this our party's leadership gives firm faith in certain victory and courage to the people and vigorously encourages and inspires them to new struggles and exploits.

The peculiar nature of our party as a youthful party full of vigor and passion is that once it is resolved to fulfill a task it fulfills the task at any cost and without fail. The revolution and construction presuppose a serious class struggle and is a difficult and complicated work of having to fight a totally new path. To lead the revolution to victory by surmounting all sorts of difficulties, the working class's party should fulfill, without fail, the far-reaching plans and goals that it has set forth under any circumstances.

Resolute and indeflectable fighting spirit and power of execution are precisely the militant mettle that a youthful party full of vigor and enthusiasm, that is, a party carrying out the revolution, should have. Our party is an invincible party which can fulfill any task once it is resolved to do it. The struggle goal and tasks that our party has set forth reflect extraordinarily high demands. However, our party has completely fulfilled every task without leaving it half done. The completion of the construction of the Soehae lockgate, a prominent lockgate in the world, in only five years and the brilliant completion of the first phase construction of the Kwangbok street and Suncheon vinylon complex vigorously demonstrate our party's resolute and indeflectable fighting spirit and power of execution.

Pioneering the path of the revolution through resolute and indeflectable struggle is precisely our party's traditional revolutionary trait. Such a trait of our party is being further displayed today, at a time when vast revolutionary tasks have been presented and the imperialists' maneuvers have become unscrupulous. Our party is opening the breakthrough of victory in socialist construction by directly countering the counterrevolutionary offensive of the enemies with our revolutionary offensive. In this way, the struggle to create the speed of the nineties is being vigorously waged, new miracles are being created in remaking nature and reforming society, and numerous great monumental edifices are being built.

For our party which is full of vigor and passion, it may face arduous and difficult tasks, but there is no task that it cannot fulfill. [word indistinct] is put into practice without exception and produces brilliant victory and success without fail.

The slogan, "What the party decides, we will do" is the slogan of our army and people proceeding from deeply

mastering our party's invincible might and its wise leadership through practical struggle. Included in this are our people's absolute confidence in and boundless loyalty to the party and the leader, as well as their firm conviction of the party's resolute and indeflectable power of execution. The revolutionary leadership of our party which is shouldering the heavy tasks assigned for the times and the revolution and extensively carrying them out gives our people the firm faith and courage that they can not only surmount any difficulties, but also even achieve the cause of national reunification and consummate the *chuche* revolutionary cause.

The proud appearance of our party seething with revolutionary mettle as a youthful party is also that it is moving forward continually and continuing innovation to carry out the *chuche* cause under the banner of the revolution, the banner of socialism. The socialist cause is a protracted work which continues generation after generation. To consummate the revolution to the end, the working class's party should always hold aloft the banner of the revolution, the banner of socialism and should not allow even the slightest degree of stagnation and stalemate.

History shows that when we firmly defend the banner of the revolution the socialist cause can advance victoriously, surmounting any difficulties, and that when we fail to defend it the socialist cause fades halfway. Whether our party can become a revolutionary party with youthful mettle or not lies in whether it can advance, holding aloft the banner of the revolution, or not. As long as the imperialists remain in this world and as long as the popular masses' revolutionary struggle for independence continues the revolution should continue to the end. This is precisely our party's firm and invariable will.

Proceeding from this our party has consistently adhered to the class stand and revolutionary principle under all circumstances. Our party has constantly consolidated and developed socialism of our own style in conformity with the independent demands and interests of the popular masses and pushed ahead with the revolution and construction in conformity with the inherent demands of the cause of socialism, communism. On the strength of such a struggle by the party, in our country all imperialists' maneuvers for destruction and sabotage have been thoroughly smashed, the socialist cause has been firmly defended, and our revolution is making an ever-victorious advance without the slightest degree of faltering even today when an unexpected, complicated situation has occurred in the communist movement.

As its success grows our party constantly unfolds greater and more grand plans for greater victory. Thus our party is leading the revolution to a new upsurge. For our party which is carrying out the revolution, no senility, stagnation, indolence, and slackness can be allowed. Our party is not only creating a great revolutionary upsurge in socialist construction, but has also bestowed youthful vitality and creative strength and wisdom upon the

hearts of all of our people. In this way, our people are vigorously rising up under the leadership of the party and the leader and are, thus, demonstrating dignity and honor as the people who are carrying out the revolution and as the people who are waging struggle.

Because our party is moving in a lively manner as the heart of our society while vigorously giving the meat of the revolution to the people, our people are staunchly fighting with revolutionary mettle and are displaying matchless mass heroism in revolution and construction.

That our party is highly demonstrating its might and honor as the youthful party seething with a revolutionary vigor as we see today is by no means accidental. The basis in becoming the revolutionary party, the youthful party, which struggles with vim and vigor, lies in upholding the great leader on the top of the party. In order for the working class's party to be constantly strengthened and developed into a hot-blooded and youthful party, the cause of building the party should be inherited generation after generation.

The inheritance of the party's leadership is synonymous with the inheritance of the position and role of the political leader [chongchijok suryong] of the party. The leader's leadership position and role should be unswervingly [pyonhamopsi] inherited by his successor. The people's leader who is boundlessly loyal to the party and the revolutionary cause and who has the character [pum-kyok] and talent [chajil] which can smoothly realize the political leadership in the whole society should be upheld at the head of the party. By so doing the party cannot discolor but can become the youthful party—the party which carries out the revolution—which consummates the revolutionary cause to the end without the slightest degree of trepidation and vicissitudes.

Proceeding from the inevitable demand of the developing revolution of our times and from the lesson from the international communist movement our party has identified the question of inheriting the party's leadership as the important question of consummating the revolutionary cause of the working class generation after generation and has brilliantly solved it theoretically and practically.

The dear leader Comrade Kim Chong-il, under the slogan of modeling the entire party after the *chuche* idea, has strengthened and developed our party into the revolutionary party of *chuche* type and into the party with the invincible might capable of consummating the *chuche* cause. Because the dear leader Comrade Kim Chong-il has expounded the unique theory on party building under the banner of the *chuche* idea and has wisely led it, our party has become the ever-victorious party enjoying most solid foundation, the history of unique [toktukhan] development, great achievements, and noble experience and the party with an immense future which is vigorously advancing with far-reaching aspirations and firm faith in victory.

The extraordinary wisdom and scientific insight of solving all problems which arise in party building and party activity in conformity with the demands of the times and with the aspirations of the people, the extraordinary revolutionary driving force [chongyeryok] which plans and organizes any task in a broad manner, and the iron-like will and matchless courage of aggressively pushing ahead with a task, once determined, to the end, mobilizing all available means and efforts. This is precisely the great leadership features of the dear leader Comrade Kim Chong-il who is leading our party, the revolution, and construction.

Because the dear leader Comrade Kim Chong-il stands at the head of us, the future of our party and the revolution is always bright and promising and our people live and struggle with firm faith and optimism.

People's Firm Faith in Socialism Extolled

SK3101015692 Pyongyang Korean Central
Broadcasting Network in Korean 0600 GMT 29 Jan 92

[Unattributed talk: "Our People's Firm Faith in Socialism"]

[Text] The socialist cause is the popular masses' cause. The success or failure of the socialist cause largely depends upon the faith of the popular masses who support the cause. Our people have vigorously accelerated the *chuche*-oriented socialist cause with a firm faith in socialism.

The great leader Comrade Kim Il-song has taught: Even under today's complicated situation, socialism has continuously moved forward in our country. More than anything, this is because our revolutionary guiding idea is just, and our people's faith in socialism is unshakable.

Our people's faith in socialism means the conviction that the *chuche*-oriented socialist cause, led by the leadership of the great party and the leader, is the most just and will gain a victory without fail. Their faith in socialism also means their indefatigable will and fidelity to resolutely struggle to complete the socialist cause.

Our people's firm faith in socialism originates from their unshakable belief that the socialism of our own style, to which the great *chuche* idea has been applied, is the most just. Our socialism is the *chuche*-oriented one, constructed and developed by the great *chuche* idea. Whether the socialist cause defends and meets the popular masses' independent demand and interests decides the socialist cause's validity.

We can say that socialism, which thoroughly defends and realizes independence—the life of the people—and provides the popular masses with a happy life conforming to their nature, is the most just and superior. Because our country's socialism has embodied the *chuche* idea, the great guiding idea centered on the popular masses, it has enjoyed absolute support and trust from the popular masses of the broad segments.

Socialism is a society based on the revolutionary idea of the working class. Socialist might and development can be guaranteed because ideology and theory, on which socialism is based, bring into full play revolutionary spirit, scientific accuracy, and realistic nature. Because socialism of our own style has regarded the great *chuche* idea—the great guiding idea in our era—as its guiding line, it has constantly developed and brought into full play its dignity and invincible might under any circumstances.

Our people firmly hold the invincible faith that our socialist cause, which has been pioneered and advanced under the banner of the great *chuche* idea, is the most just cause conforming to the popular masses' aspiration for independence and socialist basic ideology.

Our people's firm faith in the socialist cause is a strong force accelerating the socialist cause. The firm faith in socialism is ideological. Only when we have the independent and *chuche*-oriented might, which makes it possible to recognize socialist validity and vigorously advance socialist cause, can we deeply cherish it.

Chuche plays a leading role in pioneering the socialist cause and in winning a victory. The firmness of *chuche* is a basic factor determining the success and failure of the socialist cause. A socialist victory depends on the might of *chuche*. Only when there are strong forces for implementing the socialist cause can the people devote themselves to fighting for the socialist cause, with a firm faith in a victory.

The main forces of the socialist cause are the popular masses who firmly rally around the party and the leader. The strong forces for the revolution have been created in our country, because all of the people firmly rally around the party and the leader. Thus, the might of *chuche* has been daily strengthened.

The invincible Workers Party of Korea [WPK] firmly stands in the center of the revolutionary ranks. The popular masses, who have shared their fate with the party in the long course of revolutionary struggle, are single-heartedly united around the party. Our people are firmly convinced that as long as there are the revolutionary strong forces, any enormous tasks can be successfully implemented, and our socialist cause will unfailingly gain a victory.

Our people's firm faith in socialism comes from their deep and actual experience of the matchless superiority and invincible vitality of socialism of our own style. Over a long period of struggle for socialism, our people have deeply experienced the validity, superiority, and far-sightedness of the socialist cause.

Through their actual experience, our people are convinced that socialism of our own style centered on the popular masses is the best society, which conforms to the people's inherent demand for leading an independent life free from exploitation and suppression. Our people also take great pride in and feel affection for their

socialist life. As a result, socialism of our own style is deeply rooted in our people's mind, and their faith in socialism becomes firmer day by day.

Our people have cherished a faith in socialism as their ideology and theory. They have deeply experienced socialism in their actual lives. Thus, nothing breaks our people's faith. Our people's faith in socialism is an unshakable ideological and mental trait which has been created and constantly handed down in the course of arduous struggle.

From the beginning of the anti-Japanese revolution, the historical root of our socialism, the Korean communists and people have staunchly fought on under the great leader's wise leadership, with the single desire to establish the people's paradise to which the *chuche* idea is applied.

Our people's faith has been consolidated and handed down generation after generation. The faith has been more thoroughly cemented through a magnificent march to fully realize the cause of modeling the whole society on the *chuche* idea.

Our people's firm faith in socialism basically comes from the wise leadership of the party and the leader. All valuable things giving birth to our people's faith in socialism are directly linked to the wise leadership of the party and the leader. Therefore, our people's faith in socialism precisely means their faith in the wise leadership of the party and the leader and their faith in the greatness of the party and the leader.

The respected and beloved leader Comrade Kim Il-song established early the immortal *chuche* idea. He has brilliantly pioneered socialist cause in our country under the banner of the immortal *chuche* idea. He has also established the socialism of our own style centered on the popular masses, which is the most superior on this land.

The dear leader Comrade Kim Chong-il, with the firm decision and will to infinitely glorify the *chuche*-oriented socialism, has led our people's socialist construction cause into a brilliant victory.

Our people can predict that the wise leadership of the great party and leader will unfold the bright future of socialism of our own style. They are indefatigably fighting on, with the invincible faith that as long as there is the leadership of the party and the leader, the *chuche*-oriented socialist cause will without fail win a victory.

All party members and working people should have the unshakable faith that our socialist cause is the most just and that it will win a victory. They should more vigorously accelerate socialist construction by thoroughly implementing the great leader's new year address.

NODONG SINMUN on Importance of Chuche*SK3101120492 Pyongyang KCNA in English
1023 GMT 31 Jan 92*

["Tradition of Establishing Chuche is Decisive Factor of Victory of Korean Revolution"—KCNA headline]

[Text] Pyongyang January 31 (KCNA)—NODONG SINMUN in a signed article today declares that the decisive factor of the ever-victorious course covered by the Korean revolution is the tradition of the establishment of chuche created by the great leader President Kim Il-song.

It quotes the dear leader Comrade Kim Chong-il as saying:

"The leader firmly adhered to the chuche-oriented revolutionary line in the fierce struggle against the factional flunkeyists and national chauvinists and led the anti-Japanese revolutionary struggle to victory, thus creating a brilliant tradition of establishing chuche in the Korean revolution.

This tradition created in the period of the anti-Japanese revolutionary struggle is the decisive factor of the course of brilliant victories covered by the Korean revolution up to now after the liberation of the country."

The article goes on:

The tradition of the establishment of chuche is the greatest exploit and priceless wealth that the respected leader Comrade Kim Il-song has achieved while hewing the path of the Korean revolution and leading it to victory.

The great leader Comrade Kim Il-song, during the anti-Japanese armed struggle, founded the chuche idea and propounded the truth of the revolution that if the popular masses are to win the revolution they must not fail to maintain the independent and creative stand, the chuche-oriented stand.

The Korean revolution was started and has been victoriously developed on the basis of this truth.

The tradition of the establishment of chuche created in the period of the anti-Japanese revolutionary struggle is, first of all, the source of strength in defending the purity of the chuche idea, holding fast to the principles of independence and creativeness and carrying forward the chuche character of the Korean revolution through generations.

Possessed of this tradition, the Workers' Party and people of Korea have been able to steadfastly maintain the purity of the chuche idea against flunkeyism and dogmatism in the revolutionary struggle and construction and successfully build in this land socialism of our style, independent in politics, self-sufficient in economy and self-reliant in national defence, by conducting the

socialist revolution and construction in an original way to meet the demand of our people and the reality of our country.

It is because our socialism is based on the immortal chuche idea that it is today unyieldingly progressing along the road of victory without wavering even under the circumstances in which the anti-socialist moves of the imperialists and reactionaries have been intensified as never before and socialism has failed in some countries.

The tradition of the establishment of chuche is also a firm guarantee for defending the tradition of unity and cohesion around the leader and constantly strengthening the driving force of the revolution.

The tradition of unity and cohesion, which was created in the period of the anti-Japanese revolutionary struggle, is that of unity and cohesion with the leader as the centre, unity and cohesion based on his revolutionary idea, and unity and cohesion based on the revolutionary sense of duty and comradeship between the leader and his men.

With the creation of the great tradition of unity and cohesion, the Korean revolution, which had once undergone failures and turns and twists due to the lack of leadership of a distinguished leader and the absence of the centre of unity and cohesion, could, for the first time, enter the road of its new development and have a firm guarantee for opening the way of victory, overcoming any storm and test.

The brilliant tradition of the establishment of chuche created by the great leader is being carried forward and constantly developed by the dear leader Comrade Kim Chong-il, the article notes, and elaborates on the fact that he set it as an important problem deciding the future of our party and the revolution to defend and carry forward and develop this tradition and is most successfully carrying into practice.

KCNA Reviews Pyongyang Press for 31 Jan*SK3101061692 Pyongyang KCNA in English
0542 GMT 31 Jan 92*

[Press review]

[Text] Pyongyang January 31 (KCNA)—Papers here today report that President Kim Il-song of the Democratic People's Republic of Korea sent a gift to Joaquim Alberto Chissano, president of Mozambique, and President Kim Il-song and Comrade Kim Chong-il received gifts from him.

Carried in the press are messages of new year's greetings to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, from foreign party leaders and a message to him sent by the general secretary of the Central Committee of the Communist Party of Malta in support of his new year address for this year.

The great leader president Kim Il-song received letters from seminars on his new year address held in various countries, says NODONG SINMUN.

The paper reports that "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," a work of the dear leader Comrade Kim Chong-il, was off the press in India on the occasion of his 50th birthday.

Comrade Kim Chong-il received new year's cards from different countries and a public figure of Tanzania issued a statement to the press, congratulating him upon his election as supreme commander of the Korean People's Army, according to the press.

NODONG SINMUN informs the readers that the Indonesian paper MERDEKA introduced the undying flower "kimjongilia".

Given in the press is news that thanks of the Central Committee of the Workers' Party of Korea was conveyed to the agricultural working people who distinguished themselves in the production of manure.

The Japanese Youth Liaison Council of Societies for the Study of the Chuche idea published the paper "Chuche Idea" Nos. 238 and 239 and Nigerian artists formed a group for the study of the chuche idea, says the press.

NODONG SINMUN editorially calls for bringing about bumper crops this year, the year of put-greater-efforts-into-agriculture, by directing big efforts to farming.

Econews of the paper includes a report that preparations for farming are being stepped up on cooperative farms across the country.

"Tradition of Establishing Chuche Principle Is Decisive Factor of Victory in our Revolution" is the title of a NODONG SINMUN article.

Figuring large in the press are a statement issued to the press by a spokesman for the Foreign Ministry of the DPRK in connection with the signing of the nuclear safeguards accord [NSA] under the Nuclear Non-Proliferation Treaty and an account of a ceremony for signing the NSA between the DPRK and the International Atomic Energy Agency in Vienna.

Papers report that a meeting was held in Paris to mark the 15th founding anniversary of the Cilreco [International Liaison Committee for Reunification and Peace in Korea], a report was made at the meeting and a silk banner and a flag were conveyed and the flag was hoisted with a due ceremony on the occasion.

Appearing in the press are an appeal to the political parties, governments, parliaments, public organisations of all countries and international organisations, a letter to the U.N. secretary-general and open questionnaires to the U.S. and the South Korean authorities adopted at the

enlarged meeting of the Executive Committee of the Cilreco and speeches made there.

It is reported in the press that the president of the State Council of Vietnam met with the DPRK foreign minister.

Given in the press is an account of the 6th intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations held in Beijing on January 30.

The U.S. imperialists and the South Korean puppets staged war exercises against the North, says the press.

NODONG SINMUN rounds up the voices of foreign public figures praising our socialism.

According to the press, the premier of the State Council of China visited Italy, the fourth meeting of heads of governments of ASEAN countries closed, the third meeting of the Supreme National Council of Cambodia was held, the Japanese prime minister at the Diet admitted the fact that Korean women were drafted to be "comfort women" for the Japanese Army and made an apology for it.

Foreign newspapers expressed concern over the danger of nuclear weapons deployed in different parts of the former Soviet Union, the Yugoslav paper BORBA laid bare the contradictions between the United States and Western European countries and the Romanian paper EUROPA exposed the U.S. wild ambition for world supremacy, says the press.

In a monthly review of the situation NODONG SINMUN says that a climate of detente is being created in different regions, but the United States has not yet renounced the position of strength, seeking a wild ambition for world supremacy.

NODONG SINMUN carries the second part of the anti-American book published in South Korea under the title "Independence Declaration of 40 Million Koreans for the Expulsion of U.S. Military Bases—Only When You Go, Can We Survive".

South Korea

Government Welcomes U.S., Russian Nuclear Cuts
SK3101041992 Seoul YONHAP in English 0357 GMT
31 Jan 92

[Text] Seoul, Jan. 31 (OANA-YONHAP)—South Korea welcomed Friday nuclear arms reduction announcements by the United States and Russia and called on North Korea to follow suit.

"We welcome U.S. President George Bush's nuclear weapons cut proposal in his State of the Union address Jan. 28 and Russian President Boris Yeltsin's sweeping series of nuclear arms cuts," Foreign Ministry Spokesman Cho Won-il said in a statement.

"We expect that these measures by the United States and Russia will greatly diminish the dangers and fears of nuclear war and contribute to peace not only on the Korean peninsula and in Northeast Asia but in the world.

"We hope that other nuclear countries will follow in these actions," Cho said.

He urged North Korea to follow the trend and take steps to ratify and implement in the shortest period possible the nuclear safeguards accord it signed with the International Atomic Energy Agency (IAEA) on Thursday in Vienna.

Experts Urge Steps Against U.S. Market Pressure

SK3101063692 Seoul THE KOREA HERALD
in English 31 Jan 92 p 6

[Text] Korea should fully prepare for accelerated trade pressure expected to come from the U.S. administration during the American presidential election campaign period, local trade experts said yesterday.

At an advisory meeting on the government's foreign trade policy, the participants said the U.S. government is expected to push harder for Korea's protection of their intellectual property rights, wider market opening in financial and telecommunications businesses and for more cooperation in the Uruguay Round of free trade talks.

Minister of Trade and Industry Han Pong-su said in the meeting that his ministry plans to reduce the dependency ratio on Japanese machinery to 26 percent in 1996 from the 38.2 percent last year.

To this end, the government will place the priority of its financial and taxational support on firms localizing key machinery and their parts and components.

It also will continue to diversify import sources away from Japan and more strictly implement the mandatory attachment of place of origin marks on imports to block Japan's roundabout exports to Korea, Han said.

Now that the trade ties between Korea and the United States have notably improved, the two countries should focus on strengthening bilateral industrial and technological cooperation, they said.

The advisory group, consisting of business executives, academicians, senior researchers, journalists and legal experts, also said that the government's efforts to improve the international balance of payments should be made within the boundary of international trade rules so as not to trigger trade disputes with foreign countries.

DPRK Signing of Safeguards Accord Viewed

SK3101033792 Seoul YONHAP in English 0213 GMT
31 Jan 92

[News analysis]

[Text] Vienna, Jan. 30 (YONHAP)—North Korea signed a nuclear safeguards accord here Thursday,

fulfilling its international obligation as a member of the Nuclear Nonproliferation Treaty—six years late.

North Korea has thus obtained an opportunity to dispel rising international suspicion and concern that it might be developing nuclear weapons by opening its nuclear facilities to the International Atomic Energy Agency (IAEA) immediately.

But North Korea indicated the inspection process would not be all that simple and smooth when it ruled out the possibility of ratifying the agreement at an early date.

It said the Supreme People's Assembly and other organizations will have to deliberate the matter before it ratifies the agreement, although President Kim Il-song could do so without being subject to the consent of the People's Assembly under the North Korean Constitution.

Earlier, IAEA and other officials hoped that North Korea would ratify the agreement within the next month so that IAEA could start inspecting North Korean nuclear facilities in the first half of this year.

Nevertheless, some analysts believe that IAEA could start its inspection sometime in September since North Korea is scheduled to convene a meeting of the Supreme People's Assembly in April. It could ratify the agreement then and clear all other procedures in three to four months, they said.

However, the current North Korean "attitude" does not allow such an optimism, other analysts say.

Although North Korea keeps repeating its intention to allow outside inspection of its nuclear facilities at an early date, they say, it may still be considering linking the issue with its strategy to improve relations with the United States and South Korea.

If this view bears out, the analysts added, North Korea could very well delay the ratifying processes, depending on its needs. Moreover, North Korea's sincerity would be called into question even if it complies with international inspection.

IAEA inspection is usually conducted on the basis of the reports by the country being inspected. IAEA and, indeed, the world community, could not expect thorough and effective results of IAEA inspection if North Korea does not report on all its nuclear facilities.

To close such a loophole, IAEA has a special inspection provision. But it is highly doubtful North Korea would accept such an inspection, according to some officials. In fact, a high-ranking North Korean Foreign Ministry official has already declared flatly that there is no reason for his country to comply with a special IAEA inspection.

This kind of North Korean attitude, some observers say, underscores the claim that Pyongyang has signed the nuclear safeguards agreement for its own design and expediency.

The North Korean nuclear issue then will go nowhere as long as Pyongyang refuses to play the game fairly and by international rules, they added.

Delegates to North-South Talks Reshuffled

SK3101035892 Seoul YONHAP in English 0259 GMT
31 Jan 92

[Text] Seoul, Jan. 31 (YONHAP)—The government has chosen Kong No-myong, head of the Institute of Foreign Affairs and National Security, and Han Kap-su, vice minister of Economic Planning Board, as members of the seven-member Seoul delegation to the inter-Korean prime ministers' talks.

Kong and Han will replace Song Han-ho, a former vice national unification minister, and Kang Hyon-uk, a former vice economic planning minister, who changed their positions in a reshuffle of vice ministers on Jan. 8.

Government Seeks Direct Exchanges With North

SK3101084292 Seoul YONHAP in English 0546 GMT
31 Jan 92

[Text] Seoul, Jan. 31 (YONHAP)—The government will seek direct exchange of information materials with North Korea, including newspapers and economic indicators, to promote bilateral understanding, cooperation and exchange.

The government plans to set up an inter-Korean information material exchange center in the truce village of Panmunjom in the first half of the year and discuss the matter with North Korea after a subcommittee is formed in accordance with the Agreement on Reconciliation, Nonaggression, Exchanges and Cooperation.

Information on North Korea is hard to find, although demand by private businesses and research institutes is very high.

The government had decided to promote exchange of information materials to help ease their difficulties, a government spokesman said on Friday.

The purpose of the information center was to exchange not only newspapers and magazines but statistics and indexes for economic cooperation, he said. By purchasing materials through the center, both sides will be able to save time and money.

North Korean newspapers and other materials currently come to the South via third countries.

The center will also function as a display place of basic information on the two Koreas to serve businesses and individuals on both sides who want to engage in inter-Korean exchange.

Daewoo Chairman Urges 'Prudence' in DPRK Talks

SK3101085292 Seoul YONHAP in English 0710 GMT
31 Jan 92

[Text] Seoul, Jan. 31 (YONHAP)—Daewoo group chairman Kim U-chung said Friday that he had formed the impression during his trip to North Korea last week that there was conflict between conservatives and reformers and that it would be necessary for South Korea to exercise prudence in its approaches to the North.

Daewoo would not rely on the government's Inter-Korean Exchange and Cooperation Fund for economic cooperation with North Korea and would replace 80 percent of its overseas workers with North Koreans, Kim told a breakfast meeting hosted by the Korean Newspaper Editors Association.

Kim spent 11 days in North Korea and agreed with the authorities there on economic cooperation.

He was told by North Korean Prime Minister Yon Hyong-muk that conservatives were in a difficult position because of exaggerated reports by the South Korean media during the inter-Korean prime ministers' talks, Kim said, asking the editors to handle reports about North Korea with prudence.

North Korea was undergoing big changes, not just economic but also social, and South Korea's role in the changes would be significant, he said.

The top businessman said overseas construction was booming again and South Korean contractors could regain competitiveness if they cooperated with North Korea.

South Korean construction firms are hampered by labor shortages and high labor costs on their overseas projects and could benefit from employing North Korean workers, he said.

On investment in North Korea, Kim said the cost of building a factory to turn out light industrial products would be just 1-2 million U.S. dollars and that his group had no plan to use the Inter-Korean Exchange and Cooperation Fund.

In South-North Korean joint ventures, North Korea would supply the land, building and workers and the South would provide the facilities, raw materials and technology, so there would be no immediate need to invest in infrastructure, although it would be necessary in the long run, he said.

Most of the roads in North are unpaved, but even paved roads are not good enough to drive at an optimum speed, he said.

Daewoo Officials To Plan Joint Ventures With DPRK*SK3101101392 Seoul YONHAP in English 0954 GMT 31 Jan 92*

[Text] Seoul, Jan. 31 (YONHAP)—The Daewoo group plans to send two or three officials to North Korea before Feb. 15 to work out details of joint ventures to make men's dress shirts and women's blouses, chairman Kim U-chung said Friday.

Kim said they were two of eight light industry joint ventures that he negotiated with North Korea during a recent visit to Pyongyang.

South Korea would send officials to North Korea to carry out studies on proposed joint projects, including a shoemaking venture with Hwasung Corp., Kim told a meeting of the private South-North Trade Promotion Council and the Korea Foreign Trade Association.

Kim said he heard in North Korea that Pyongyang intends to invite representatives of the Samsung and Lucky-Goldstar groups.

"The direction for economic cooperation, including the establishment of joint ventures, between the South and North will become clear when many businessmen from the South pay visits to North Korea," Kim said.

As for the proposed joint ventures in the eight light industrial fields, Kim said it was desirable for South Korea to send a leading company in each field. Kim also recommended the companies send North Korea-born men as their representatives if possible.

Kim said he asked North Korean leaders to designate the sites of joint ventures as special economic zones, outside North Korean jurisdiction. Regarding the problems of wages for local workers and costs for energy, Kim said he proposed keeping them on the level of South Korean joint ventures in China.

Kim said his Daewoo group had no intention of monopolizing the joint ventures with North Korea just because he had negotiated them.

DPRK Allows ROK Journalists at News Briefing*SK3101095692 Seoul YONHAP in English 0940 GMT 31 Jan 92*

[Text] Beijing, Jan. 31 (YONHAP)—South Korean journalists were allowed to enter a North Korean diplomatic mission for the first time and attend a news conference there on Friday. They were in Beijing to cover normalization talks between North Korea and Japan.

Following notification from Pyongyang through Han Kyong-no, Beijing correspondent of the party organ NODONG SINMUN, North Korean Embassy officials allowed nine South Korean reporters in after checking their identities and led them to a press room on the first floor, where Chon In-chol, North Korea's chief delegate to the talks with Japan, gave the briefing.

Asked about the unprecedented move by a Japanese reporter, Chon said it was "quite natural" to allow South Korean journalists into a press conference under the inter-Korean Agreement on Reconciliation, Nonaggression, Exchange and Cooperation. It was a precedent for South-North Korean relations, he said.

Chon answered the questions of the South Korean reporters and said he was happy with their presence and welcomed them. Following the press meeting, Chon chatted with the South Korean reporters and posed for a photograph with them.

On Thursday, South Korean reporters asked Han for North Korea to provide conveniences for South Korean reporters covering the Pyongyang-Tokyo talks.

Chon said the normalization talks dealt with basic problems, including past accords between North Korea and Japan. The North Korean chief delegate said his side had severely criticized the Japanese because they upheld the validity and legitimacy of the past accords. Chon said Pyongyang's proposal in the third meeting that the two sides realize normalization first and then resolve concrete problems one by one was still valid.

Japanese Delegation To Visit Pyongyang 15 Apr*SK3101043892 Seoul CHOSON ILBO in Korean 31 Jan 92 p 1*

[Report by correspondent Kim Yong-su from Beijing]

[Text] It has been learned that a delegation of the Liberal Democratic Party of Japan and the Japan Socialist Party will visit Pyongyang on the occasion of North Korean President Kim Il-song's birthday on 15 April and that the Japanese delegation will negotiate on the concrete amount of North Korea's claims against Japan, one of the difficult issues arising in the negotiations for the establishment of diplomatic relations between Japan and North Korea. Thus, it is likely that rapid progress will be made in the current Japanese-North Korean talks for establishing diplomatic relations.

An official at the Japanese Embassy in Beijing said: I know that Japanese figures have been invited to visit North Korea on President Kim's birthday every year. I think the delegation will negotiate and decide on the amount of North Korea's claims against Japan when it visits Pyongyang.

No Tae-u Sets DLP Candidates for General Elections*SK3101111492 Seoul YONHAP in English 0749 GMT 31 Jan 92*

[Text] Seoul, Jan. 31 (YONHAP)—President No Tae-u, as party head, fixed the candidates of the ruling Democratic Liberal Party (DLP) for 237 constituencies in the general elections in consultations Friday with DLP co-chairmen Kim Yong-sam, Kim Chong-pil and Pak Tae-chun.

They finalized a list drafted by the screening committee, led by DLP secretary general Kim Yun-hwan, and the names will be announced Saturday.

Lawmakers who will not be re-nominated are National Assembly vice speaker Kim Chae-kwang (Eunpyong B Constituency), Chong Sang-ku (Southern Pusan B), Assembly Administration Committee Chairman Kang Sin-ok (Mapo B), Choe Un-chi (Western Taegu B), Yi Tae-sop (Kangnam B), Pak Chi-won (Osan-Hwasong), Choe Mu-yong (Paju), Yi Tok-ho (Tongduchon-Yangju), Kim Yong-son (Kapyong-Yangpyong), Choe Chong-sik (Sokcho-Kosong), Pak Pyong-son (Yesan), Kim Chong-sik (Chonan-kun), Kim Il-yun (Kyongju), Kwon Tal-su (Songtan-Pyeongtaek), Pak Chae-hong (Kumi), Kim Chin-yong (Yongju-Yongpung), Yi Chae-yon (Kyongsan-Chongdo), Hwang Song-kyun (Samchonpo-Sachon), Yi Hak-pong (Kimhae), Pak Chae-kyu (Chinhae-Changwon), Ko Se-chin (Cheju) and Yi Ki-pin (Northern Cheju), according to party sources.

Other assemblymen are likely to be replaced with new faces as a couple of constituencies remain undecided. Undecided races for the ticket are Yun Chae-ki & Chong Sok-mo (Kongju), Chong Chang-hwa & Kim Tong-kwon (Eusung), O Han-ku & Yi Kyong-hui (Yongyang-Ponghwa), Kim Kwang-su & Hwang In-song (Muju-Chinan-Changsu), No In-hwan & Kwon Ik-hyon (Sanchong-Hamyang) and Yi Hyong-ki & Kim Kil-hong (Central Puchon A), according to the sources.

Reportedly picked over their rivals are Kim Man-che (Kangnam B), Chang Ki-hong (Chung-ku), Kim Kyu-won (Tobong B), Pak Wan-il (Unpyong b), Yu Ki-su (Kuro B), Kim Myong-sop (Yongdungpo A), Yu Hung-su (Southern Pusan B), Kang Chae-sop (Western Taegu B), An Chan-hui (Kapyong-Yangpyong), Kang U-hyok (Namdong, Incheon), Pak Myong-kun (Paju), Kim Yong-kwang (Pyeongtaek-Songtan), Chong Chae-chol (Sokcho-Kosong) and Pak Kyong-su (Hoengsong-Wonju) in Seoul, Kyonggi and Kangwon.

In North Chungchong Province, Yim Kwang-su (Chongju B), Min Tae-gu (Chinchon-Umsung), Yi Chong-kun (Chungju-Chungwon), Pak Chung-sun (Western Taejon-Yusung), Kim Hong-man (Central Taejon), Chong Il-yong (Chonan City), Ham Sok-chae (Chonan-kun) and O Chang-sop were chosen candidates.

In the Kyongsang provinces, Pak Se-chik (Kumi), Sin Yong-kuk (Chomchon-Munkyeong), Hwang Pyong-u (Chongsong-Yongtok), O Kyong-ui (Andong), Yi Yongchang (Kyongsan-chongdo), Yi Sang-tuk (Yongil-Ullung), Kim Chong-ha (Changwon A), Cho Tong-hwan (Chinhae-Changwon), Chong Tong-ho (Uinyong-Haman) and Kim Ki-to (Samchonpo-Sachon) were chosen, the DLP sources said.

Official Walks Out of Talks With Kim Yong-sam
SK3101013992 Seoul THE KOREA TIMES in English
31 Jan 92 p 2

[Text] Kim Chong-pil, co-chairman of the Democratic Liberal Party [DLP], yesterday walked out of the room while meeting with executive chairman Kim Yong-sam and another co-chairman Pak Tae-chun in an unusual burst of temper over the interim nomination of contenders for the parliamentary elections.

The three top leaders of the ruling party were to fine-tune their factional interests prior to the completion of the list of nominees.

They huddled together at Kim Yong-sam's office at the party headquarters at 9:35 a.m. and chatted for a while in the presence of newsmen. Then they began business talks behind closed doors.

About five minutes later, Kim Chong-pil stalked out of the room with a long face.

Pak also came out of the executive chairman's office about 15 minutes later and had a tete-a-tete with Kim Chong-pil.

Rep. Sin Kyong-sik, chief secretary to Kim Yong-sam, told reporters, "Co-chairman Kim Chong-pil walked out of the meeting upon hearing that Kim Yong-sam will have an exclusive gathering with President No Tae-u tomorrow to finalize the nomination list."

The DLP is to make public the list of 237 candidates tomorrow.

Kim Chong-pil, who leads the minor faction of 35 lawmakers, apparently blew his temper at the thought that many of his followers might be dropped from nomination without his consent.

A spokesman loyal to Kim Chong-pil argued that the party charter provides for a four-way parley, involving President No and the three top DLP leaders, in making major decisions.

Reports had it that the incumbent legislators following Kim Chong-pil are to be supplanted by rival faction members.

A source inside the Kim Chong-pil faction revealed that his boss got angry at the news that secretary general Kim Yun-hwan, who heads an ad hoc screening committee, made a secret report to President No and Kim Yong-sam Wednesday [29 January] night on what the 15-man select committee has worked out for the past three days.

The screening committee is now staying at the Ramada Olympia Hotel. Kim Yun-hwan reportedly sneaked out of the hotel late Wednesday to visit Chongwadae (presidential office) and met Kim Yong-sam at a Seoul hotel.

The source close to Kim Chong-pil also revealed that a secretary to Kim Yong-sam gave a call to Kim Chong-pil

at around 1:30 a.m. Thursday to invite him to the tripartite meeting at 9:30 a.m. yesterday.

It was learned that Pak was not briefed by the secretary general, either.

It is said that the screening committee has reached a full agreement on 222 candidates but failed to agree on who to run in 15 constituencies.

Former Hyundai Leader Rules Out Presidential Bid
SK3101092892 Seoul YONHAP in English 0657 GMT 31 Jan 92

[Text] Pusan, Jan. 31 (YONHAP)—Hyundai group owner Chong Chu-yong ruled out a bid for the presidency this year and said Friday that his nascent Unification National Party would nominate someone popular with the public.

Chong, in the southeastern port of Pusan to attend the inauguration of a district chapter, made the remarks in a press conference.

The founder of one of Korea's largest conglomerates confirmed that he made political donations to the country's rulers during the Fourth and Fifth Republics and revealed that he gave amounts as high as 100 million won to opposition politicians during every election.

The 77-year-old magnate said he had no presidential ambitions and had entered politics to solve Korea's political and economic crises.

Chong said he shared the political views of former professor Kim Tong-kil, who is promoting the Saehan Party, and they would merge their parties before the general elections in March if the people wanted them to.

Observers take this to mean that Chong will back Kim for president in the year-end election.

Chong said his party would contest every constituency in the general elections and pay half the campaign costs of all its candidates.

In the process of creating his party and attracting politicians to join it, he was under a great deal of pressure, Chong said, complaining that it was a contradiction to put such pressure on the creation of a party that was borne spontaneously among people.

Deputy Premier Interviewed on 1992 Economic Policy
SK3101004992 Seoul THE KOREA HERALD SUPPLEMENT in English 31 Jan 92 p 1

[By staff reporter Kang Sok-chaе]

[Text] Deputy Prime Minister Choe Kak-kyu says that the 1992 economic policy will focus on the stabilization of prices, wages and interest rates.

"Boosting industrial competitiveness and exports will be another priority," Choe said in a recent interview.

Choe, also minister of economic planning, said that the government, while readjusting downward this year's economic growth to 7 percent, will try to ensure success in the No administration's economic performances by solidifying the foundation for price stability and improving the international balance of payments.

He said the government, taking the initiative in nationwide economic austerity, will not draw up a supplementary budget except in the case of natural disasters this year.

It will cut by 10 percent the expenditures on various government agencies' events and ceremonies, while curbing the increase in public utility rates to 5 percent.

As a trendsetter, the government will freeze pay raises for senior government officials and executives of state-run corporations, Choe continued.

It instead will urge large enterprises with relatively high salaries to limit pay increases for their employees to 5 percent or below while calling on smaller firms with low wages and manpower shortages to allow wage hikes within their productivity gains, the minister said.

For the revival of economic vitality through strengthened industrial competitiveness, he said the government has no choice but to tighten its total demand control, improve the flow of funds and stabilize interest rates.

"The government plans to systemize the increased flow of funds to exporting, manufacturing, as well as small- and medium-sized companies," Choe said.

To ensure a smooth money flow to export and manufacturing businesses, the monetary authorities will urge not only the banks but also the second-tier financial institutions to funnel increased portions of their credits to these firms he said.

The minister added that the government will strengthen its inspection system to make sure the funds are properly used.

The Finance Ministry, while targeting this year's total money supply growth to an annual 18.5 percent rise, will sharply jack up its financial support of facility investments, small- and medium-sized firms, automation, computerization and technology development.

The government would be flexible on the limits on bank loans to companies with high export rates.

Choe told a recent breakfast meeting of top corporate executives that it is inevitable that uncompetitive companies experience closings in order to create a sound economic environment.

"A projected slower economic growth of 7 percent for the year will give a lot of trouble to debt-ridden firms and those unable to adapt to rapidly changing market circumstances," Choe said.

The Economic Planning Board projected this year's economic growth rate at 7 percent, down from estimated 8.6 percent last year and 9 percent in 1990.

"To attain inflation-free economic growth, the government decided to lower the GNP growth rate to 7 percent, which would help cut rising trade deficits and calm down the still strong domestic demand," Choe said.

It also forecast that the current account deficit for the year would be \$8 billion, down from last year's \$9.66 billion.

The EPB also projected consumer prices for the year to hover around 9 percent with wholesale prices standing at around 4.5 percent.

Despite the EPB's projected current account deficit of \$8 billion for the year, officials at the Ministry of Trade and Industry are expecting the red figures would reach up to \$9.5 billion for the third consecutive year in 1992, with exports climbing 13 percent to \$81 billion and imports growing 11 percent to \$90.5 billion.

In 1991, bilateral trade balances with the United States, Canada and Europe turned to deficits for the first time in years, and those with Asian, Middle East and former socialist countries continued in the red.

On the Korea-European Community relations, Choe said that the revived GSP favors by the EC to Korea would have an annual export effect of \$1-1.5 billion.

Korea and the EC concluded an agreement on the protection of property rights on EC products last year.

Korea also hopes for an early signing of a science and technology agreement with the EC, which will give a boost to Korea, the deputy premier said.

The minister said that the government is seeking the conclusion of such trade-related pacts with China as investment protection and prevention of double taxation.

He also said private-level economic cooperation between Korea and China would be strengthened, while improving Korea's trade deficit with China.

"Korea will expand cooperation with China in natural resources development and key industry sectors," Choe said.

The government will support the Commonwealth of Independent States to move toward a market economy using the economic cooperation funds for the former Soviet Union, the minister said.

On South-North Korean economic cooperation, Choe said the government will vigorously promote economic exchanges with North Korea.

To promote economic exchanges, it will write guidelines on volume, prices, currency of settlement and investment guarantees, and participate in North Korea's Tumen River development plan, he said.

The Seoul Government plans to start direct trading of materials between South and North Korea and carry out inter-Korean economic cooperation projects on a step-by-step basis, beginning with small projects, through the joint committee for economic exchanges and cooperation, which is to be formed by May 19.

The government will coordinate private economic exchanges with North Korea and positively support the North's plan to establish a free trade zone in Najin and Sunbong for development of the Tumen River on the border with China and Russia.

The government plans to approve inter-Korean joint venture projects which Daewoo Group chairman Kim U-chung negotiated with the North during his 11-day visit to Pyongyang for economic talks through inter-ministerial consultations.

"The government will coordinate cooperation with the North to prevent excessive competition among local business conglomerates, such as experienced during the initial stages of economic cooperation with the former Soviet Union and East European countries," Choe said.

Government Urges Freezing of Wage Increases

*SK3101084492 Seoul YONHAP in English 0618 GMT
31 Jan 92*

[Text] Seoul, Jan. 31 (YONHAP)—The government will encourage companies and their unions to hold overall wage increases to 5 percent or less this year, Deputy Prime Minister Choe Kak-kyu said Friday.

Choe, who is also economic planning minister, said the government recommends that companies and their unions conduct wage negotiations simultaneously with other negotiations for non-monetary issues such as overtime and holidays.

The government also plans to hold meetings of management, labor representatives and political leaders in February and March in an effort to work out a social consensus for the stabilization of wages.

At a consultative meeting sponsored by the Korea Chamber of Commerce and Industry, Choe said overall wage increases for workers in large business groups and the service industry should not go over the 5-percent level.

The government has decided to include regular bonuses and other benefits such as housing and commuting allowances in the overall wages, while excluding overtime and holiday pays and lunch and clothing allowances, officials said earlier.

Choe pointed that the average wage increase in the electronics industry last year, for instance, was reported as 9 percent, but the overall wage increase actually was 18.8 percent. For the stabilization of prices and wages, the rate of increases should be determined in terms of overall wages, he said.

Choe said that for any company that meets the government wage increase guideline, the government would give preferential treatment in issuance of bonds or obtaining government funds. A qualified company will also be exempt from tax investigation and receive financial and tax breaks during labor disputes.

Those companies that fail to follow the guideline, however, could face difficulties in obtaining loans and expanding into new business ventures, Choe said.

New Finance Ministry's Planning Office Head Named

SK3101095292 Seoul YONHAP in English 0900 GMT 31 Jan 92

[Text] Seoul, Jan. 31 (YONHAP)—The government Friday appointed Pak Chong-sok, legislative counsel for the National Assembly Finance Committee, to head the Finance Ministry's Planning and Management Office.

Pak, 56, a native of Boryong, South Chungchong Province, succeeds Yi Hwan-kyon, who was named the ministry's second assistant finance minister on Jan. 28.

Skippers of Chinese Trawlers Deported

SK3101094192 Seoul YONHAP in English 0808 GMT 31 Jan 92

[Text] Seoul, Jan. 31 (YONHAP)—South Korea deported the skippers of the four Chinese trawlers Friday, towing their vessels out of Korean waters and releasing them. The four were put under arrest earlier this month for violating Korean territorial waters and their boats were seized.

The deportation followed a decision by the prosecutor-general's office to cancel the arrest after the Chinese trade representative in Seoul forwarded a written pledge from the Chinese Government promising to prevent any more violations of Korean waters.

The four included Zhang Guo-quan, 48, and Jiang Siru, 41, both of Shanghai.

The prosecution fined them 10 million won (13,160 U.S. dollars) each and confiscated their catch.

The Chinese boats were taken to Cheju port after being taken into custody Jan. 11 by Cheju Maritime Police some 12 kilometers (7.5 miles) southwest of Cheju Island, 7.2 kilometers (4.5 miles) inside the Korean territorial waters.

The vessels were among some 80 Chinese ships found poaching there, the police said.

Cambodia

22d National Assembly Meetings Continue 30 Jan

Resignations From Council of Ministers

*BK3001135592 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
30 Jan 92*

[Text] On the afternoon of 30 January, the 22d ordinary session of the State of Cambodia's First National Assembly continued its work according to the agenda.

At this fourth day's afternoon session, Planning Minister Chea Chanto and Industry Minister Chan Phin answered questions raised by assembly members from various constituencies and requests related to the ministries.

Later all assembly members voted to elect candidates for the posts of vice chairmen of the Council of Ministers to replace Bou Thang and Chea Soth, who asked for permission to resign as Council of Ministers vice chairmen, and to elect candidates for the posts of ministers of the interior and national security. The result of the voting is as follows: Sar Kheng has been elected vice chairman of the Council of Ministers and minister of the interior; Prince Norodom Chakrapong vice chairman of the Council of Ministers; and General Sin Song minister of national security.

On the same afternoon, Chem Snguon, chairman of the National Assembly's Legislative Commission, read two draft laws, namely, a law on the punishment of terrorist acts and a law on the punishment of the (illegal use of) arms and uniforms, for examination and approval by the participants at tomorrow's session.

The session adjourned at 1600 and will continue tomorrow morning.

Son Sann Urges SNC To Take Charge

*BK3001113792 (Clandestine) Voice of the Khmer
in Cambodian 0430 GMT 30 Jan 92*

[Interview with Son Sann, president of the Khmer People's National Liberation Front and member of the Supreme National Council of Cambodia, by unidentified correspondent in Bangkok on 23 January prior to his return to Phnom Penh—recorded]

[Text] [Correspondent] I am from the Voice of the Khmer [VOK]. My greetings to His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and member of the Supreme National Council of Cambodia [SNC].

First, I would like to deeply thank your excellency for allowing me to ask you a few questions about the search for peace for our Cambodian nation and people. First of all, would your excellency please tell our compatriots how bad the situation in our country has become.

[Son Sann] First of all, I would like to thank all of you children from the VOK, including you, madam, and you, gentlemen, who have come to interview me today. To your question, I would like to say that it is all because our country has been through a catastrophic situation for too many years. Compared to other countries of the world, we have lagged behind others economically, in public health, and in culture and literacy. We are among the four or five nations at the tail end of the list. This political, economic, and social backwardness has led our people to lose hope in their leaders to lose confidence in the Cambodian institutions, and to doubt their bank notes. In other words, they no longer trust even their own ability. Consequently, since our country has become so impoverished, we must find a way to restore our confidence by reviving freedom and human rights and we must proceed so that our people can again hope that soon they will enjoy a better life, and so that they will get back their souls. Nowadays, it seems that our people have lost their souls, are in despair, and do not know upon whom they can rely. And also [we must work] to recover the cultural heritage of our Khmer people.

[Correspondent] Thank you, sir. What has caused our country to become one of the world's poorest nations?

[Son Sann] In my opinion, it is because we have been experiencing the catastrophic situation for too long, since 1970 to be exact. Before 1970 all of us lived in unity and peace, all of us were united in Cambodia. After 1970 we were divided, which led us toward war. After the fighting, we were miserable; all of us Cambodians were miserable under the control of the Khmer Rouge. After the Khmer Rouge we came under the aggression of the Vietnamese, who grabbed our land and subjugated our country. Even now, this year, there are still Vietnamese in Cambodia. Not all of them have left. For this reason, we have suffered so much because since 1970 we have had no time to rebuild our country. We have been constantly miserable and have suffered ever since [three-minute passage unheard] Cambodia recovers its peace, unity, democracy, freedom, and sovereignty thanks to the big countries, and the rich countries are prepared to help us.

However, we have to wait for some time before the Big Five are ready to implement the peace accords. We have heard Mr. Akashi—special representative of the UN secretary general who came to Thailand and who is now in Phnom Penh for four to five days only—say that he has made quite an effort, but there is a budget problem. The money needed to be spent on Cambodia is not inconsiderable. It amounts to billions of dollars. When the fighting has ended, all the expenses on Cambodia will total at least 1 billion dollars. Therefore, there is a budget constraint. Thus, UNTAC [UN Transitional Authority in Cambodia], the international and UN forces to be sent to Cambodia to help keep peace and organize elections in our country, have not arrived yet. If we wait until the United Nations has enough money before coming, it will take a long time. But the peace project is already ready for implementation. If there is a delay, who will stand to

lose? A delay of one day means that our Cambodian people will suffer one more day. Therefore, pending the arrival of all the international UNTAC forces, the SNC and UNTAC should agree with one another on taking care of everything and implementing the Big Five solution from beginning to end.

However, if all of us Cambodians, knowing that the situation in Cambodia is so bad and the people are suffering so much with each passing day, if we Cambodians of the four factions agree with one another, we can take care of it. If all of the four factions in the SNC with all its 12 members agree among themselves as Cambodians, we will be able to manage the situation. We can do it without waiting for the arrival of UNTAC; we can take care of the work if we agree with each other to do so. That is the duty of us Cambodians. That is the honor of us Cambodians if we take charge of the situation pending the arrival of UNTAC.

I have arrived at this view because I have just seen that among the ranks of the ASEAN, which has been helping us since 1979 and which is going to meet in Singapore on 27-28 January, some of the countries have now become reluctant to help us because we Cambodians have failed to unite and to help ourselves. Now, to my knowledge, only Thailand and the Philippines still persist in assisting us and are going to raise our problem for discussion in Singapore to help us—not to bring peace back to Cambodia or to implement the Big Five solution, but to rebuild our nation. So we see that some of our friends are tired of us while others continue doggedly to help us. We who are Cambodians should know that our duty is to help Cambodians—to help our people, our country, ourselves. If we help ourselves, our friends will help us. I would like to tell you again: a delay of one day means one more day of suffering for our people. We want others to help us, but those who intend to help us also have their own obligations, their own commitments. All of us know that the international community is now busy helping East Europe and Russia. Yugoslavia now needs, I do not know how many, hundreds of millions of dollars in aid. And El Salvador in Latin America, too, needs help. If we continue to drag our feet, when we really need help, the budget of the rich countries that intend to help us might become exhausted and consequently we might lose out.

Therefore, our duty is to understand that the Big Five solution is complete and ready for implementation. We Cambodians must thus start implementing it. The SNC must implement it now and let Prince Norodom Sihanouk be in charge until UNTAC Chief Akashi finds and gets enough budget to bring the international forces in to help us. Then the process will become even faster and our nation will have peace and happiness faster than if we stay idle and do nothing. Now, as you well know, fighting has flared up again. Therefore, I beg all compatriots, primarily the leaders, to understand their own duty. I beg them to have pity for Cambodia and the Cambodian people. We must agree among ourselves and understand each other within the SNC so that we Cambodians agree with each other to implement the Big Five

solution and let Prince Norodom Sihanouk take control from above. He has been complaining that he does not have power and thus cannot work properly. We should agree with each other to give him the power so he can take charge. This is my request.

[Correspondent] Thank you, sir. Before concluding, do you have anything else to say to our compatriots?

[Son Sann] My respects to venerable monks, beloved compatriots: I beg all of you to understand your duty. Do not lose hope, for the international community is surely going to help us, albeit with some delay. Please urge our leaders within the SNC under the leadership of Prince Norodom Sihanouk to immediately take things into their own hands. I also ask all of you to pray to all the gods in the world to influence our leaders in Cambodia to understand their own duty, to forget their own personal interests, and to consider only the supreme interests of the nation and people. I beg all venerable monks and compatriots to pray to the deities to help protect our Cambodian people so they can enjoy peace, happiness, reconciliation, good health, and good order, and have enough to eat. Thank you.

DPRK's Kim Yong-nam Meets Sihanouk 22 Jan

*SK2501061592 Pyongyang KCNA in English
0438 GMT 25 Jan 92*

[Text] Pyongyang January 25 (KCNA)—Norodom Sihanouk, head of state and chairman of the Supreme National Council of Cambodia, met with Kim Yong-nam, vice-premier and foreign minister, on January 22.

Present on the occasion were the party of the foreign minister and the DPRK ambassador to the Supreme National Council of Cambodia, and Prime Minister Hun Sen and Foreign Minister Hor Namhong and other officials concerned of Cambodia.

Kim Yong-nam conveyed greetings of President Kim Il-song and Comrade Kim Chong-il to Norodom Sihanouk.

The head of state expressed deep thanks for this and asked the foreign minister to convey his cordial regards to them.

Referring to the achievements made by the Korean people in the efforts for the country's reunification, the head of state said that it is entirely a brilliant fruition of the outstanding wise leadership of His Excellency President Kim Il-song, the most respected great leader, and the dear leader His Excellency Kim Chong-il.

The Cambodian people, he said, will extend full support to the national reunification cause of the Korean people led by the most respected great leader His Excellency President Kim Il-song who is an illustrious hero and prominent head of state.

The talk proceeded in a friendly atmosphere.

The Cambodian head of state arranged a luncheon for the DPRK foreign minister.

Bou Thang at Meeting of War Invalids Ministry

*BK2801081592 Phnom Penh Samleng Pracheachon
Kampuchea Radio Network in Cambodian 1300 GMT
27 Jan 92*

[Excerpts] On the afternoon of 25 January, the meeting to review the 1991 results of the Ministry of Social Affairs and War Invalids, held at the ministry's office, was concluded after three days of work. [passage omitted]

General Bou Thang, standing committee member of the Cambodian People's Party Central Committee and vice chairman of the Council of Ministers, who presided over the closing ceremony, said the results achieved by the ministry in 1991 are worthy of pride. They greatly contributed to social development and have profound significance in encouraging merited individuals. General Bou Thang said a number of localities still have not provided good management and have not implemented well the social affairs policy. This should be reconsidered. The most important thing is to provide assistance and support to constantly improve the living standards of invalid combatants and their families. This would be a fine encouragement for their precious deeds.

SRV Sends Arms, Ammunition To Preah Vihear

*BK3101014892 (Clandestine) Voice of the Great
National Union Front of Cambodia in Cambodian
2330 GMT 30 Jan 92*

[Text] A report from Preah Vihear Province says the Vietnamese aggressors on 25 January used all kinds of trucks to ship arms and ammunition to their troops in Preah Vihear Province. This is for launching offensives on resistance-liberated zones during the coming dry season to retake the liberated areas, the population, and the economy from the resistance forces.

The people of the province witnessed this. From these planned offensives, they are well aware that the Vietnamese war of aggression against Cambodia has not ended yet and that the Vietnamese invaders have continued to attack the resistance forces and shell the people's villages. Because of their 13 years experience in dealing with the Vietnamese aggressors, they know their true nature. The accord exists now but the Vietnamese have not abided by it in the least. As such, the people are not passive and unconcerned. They are ready at all times to do whatever they can to safeguard their villages, and to prevent them from being retaken by the Vietnamese aggressors.

Khmer Rouge Continues Attacks in Kompong Thom

*BK3001124592 Phnom Penh SPK in French
11118 GMT 30 Jan 92*

[Text] Phnom Penh 30 Jan (SPK)—Four more persons were wounded on 26 January by Khmer Rouge shells on

National Route 6, where more than 10,000 persons crowded together after fleeing Khmer Rouge attacks early this month.

Since 5 January, in violation of the Paris accords, the Khmer Rouge have attacked and pounded several villages of four communes in Kompong Svay and Stoung Districts northwest of Kompong Thom, some 150 km north of Phnom Penh. More than 10,000 inhabitants of the four communes massed at Krasang, a settlement located between kilometer-markers 185 and 200 of National Route 6.

The shelling has continued and a four-year-old boy whose family failed to move out of range was wounded.

"One hundred metric tons of rice and canvas have been distributed, but the number of displaced persons has been increasing daily since 21 January," said Suon So, chairman of the provincial Red Cross.

The head of Kompong Svay District's Health Service, Dr. Nget Bochum, expressed a fear of epidemics because of the lack of drinking water and medicines and the conditions in which the displaced persons, including many elderly people and young children, were living near their wooden carts in the heat of the dry season.

3,650 'Misled' Persons Return in 1991

*BK2901100392 Phnom Penh SPK in English
0420 GMT 29 Jan 92*

[Text] Phnom Penh SPK January 29—More than 3,650 misled persons broke their ranks and crossed over to the Phnom Penh Government's side in 1991, according to the General Political Department of Cambodia's Defense Ministry.

The returnees who handed over 1,950 assorted guns and a large quantity of war means to the authorities, including 1,682 from Khmer Rouge faction, 1,275 from KPNLF [Khmer People's National Liberation Front] faction and 701 from FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] faction, said the source, adding among them were one deputy division commander and eight battalion commanders.

The highest figure of returnees was recorded in Kompong Thom Province, which received 1,023 deserters with 590 rifles followed by Banteay Meanchey, Siem Reap, and Battambang with 1,008, 834 and 604 of deserters respectively.

Moreover, in the third week of January this year, Kompong Thom welcomed 18 deserters armed with 12 firearms, the source said.

Laos**Decree on Insurance Law Implementation Issued***BK2901151992 Vientiane KPL in English 0905 GMT
29 Jan 92*

[Text] Vientiane, January 29 (KPL)—The prime minister of the Lao PDR [People's Democratic Republic] on January 26 issued a decree on the implementation of the law on insurance.

The decree consists of seven chapters with 39 articles. Its (?last) article deals with determining the organised implementation of the insurance law.

The implementation will be started from 1 January, 1992 for Vientiane Municipality; from 1 June, 1992, for Luang Prabang, Vientiane, Bolikhamsai, Khammouane, Savannakhet, Champassak, and Saravane [Provinces]; and from 1 January, 1993 for the other provinces.

Minister Issues Order on Forest Closing*BK2801125692 Vientiane KPL in English 0928 GMT
28 Jan 92*

[Text] Vientiane, January 28 (KPL)—The minister of agriculture and forestry has recently issued, referring to the latest instruction on forest closing all over the country of the prime minister, a note to all state bodies at both central and local levels informing them of the measures to be taken for the sake of the nation's forest as follows:

1. All provinces and Vientiane Prefecture are prohibited from timber exploitation, establishment of wood processing industry and timber trade overseas.
2. All agreements or contracts on timber business, extraction, manufacturing and transaction, signed between the provinces and Vientiane Prefecture and foreign companies after the effect of the Council of Ministers' Decree No 117 of 5 October, 1989, and without the approval of the Ministry of Agriculture and Forestry, and law on forest management and use of forest land.
3. Needs for timber serving the construction work in the country must be planned and submitted immediately to the Ministry of Agriculture and Forestry for consideration and submission to the prime minister for approval.
4. The latest instruction closing forest of the prime minister must be further strictly observed. If any violation is made, the case must be considered according to the decision 730 of the agriculture minister. In case of serious offence, the forestry authority shall file it to the court for prompt legal action.

Japanese Agree To Aid Three Projects*BK2901152192 Vientiane KPL in English 0915 GMT
29 Jan 92*

[Text] Vientiane, 29 January, (KPL)—The Embassy of Japan in Laos has granted aid for three small projects to Laos.

The three aid projects include a U.S. \$43,595 project for the construction of Oumoung-Nakham primary school in Sikhottabong District, Vientiane Municipality, a U.S. \$21,832 project for the restoration of Xieng Khouang hospital, the province of the same name, and a U.S. \$15,491 project for the promotion of women development of the Lao Women's Union chapter in Khammouane Province.

Agreements on the aid projects were signed by Mr. Shigemi Ando, ambassador of Japan to Laos, and the heads of the three projects in the presence of Mr. khamtan Chanthala, deputy minister of education and sports, and Mr. Khampong Soulinphoumi, head of the education and sports service of Vientiane Municipality.

German Parliamentary Group Arrives for Visit*BK2901151792 Vientiane KPL in English 0927 GMT
29 Jan 92*

[Text] Vientiane, 29 January (KPL)—A delegation of the German Parliament led by its head of commission for domestic affairs on 26 January arrived here on a four-day working visit to Laos.

The delegation will visit some Lao leaders and meet with its Lao counterpart to discuss issues related to the relations between the two countries. In addition, it will visit some schools and production establishments having received aid from the Federal Republic of Germany to identify possibilities for the future aid.

The German parliamentary delegation will also visit Luang Prabang.

Envoy Holds Australia Day Anniversary Reception*BK2901152392 Vientiane KPL in English 0907 GMT
29 Jan 92*

[Text] Vientiane January 29 (KPL)—Ambassador of Australia to Laos Michael D. Mann and his wife, on January 27 evening, hosted at their residence here a reception marking the 204th anniversary of the Australia day.

Among the Lao Government officials attending the reception were Vice Prime Minister and Foreign Minister Phoun Sipaseut, some other ministers, members of the People's Supreme Assembly, and senior officials.

The heads and members of the diplomatic corps and of the international organisations here also attended the function.

Besides the reception, a display on the Australia-Laos project for archaeological research in Laos was held at the same place.

One of the displays shows historical evidence of Laos in archaeology at Sang Hai village close to Luang Parbang town. The evidence illustrates a large area of ceramic industry of the Lao people of the past, about 600 years ago.

Another archaeological evidence shown is many-hundred-year-old pottery pieces discovered at Sisattanak District, Vientiane Municipality. The pieces include household utensils, architectural ornaments, and trade goods—some of which were glazed.

Philippines

Abadia Offers Cease-Fire for Drown's Release

HK3001123992 Manila Manila Broadcasting Company
DZRH in Tagalog 1100 GMT 30 Jan 92

[Text] General Lisandro Abadia, chief of staff of the Armed Forces of the Philippines, offered the Cordillera New People's Army [NPA] a 72-hour cease-fire in exchange for the release of Arvey Drown and two soldiers from Kalinga-Apayao.

According to Brigadier General Emiliano Templo, Armed Forces deputy chief of staff for civil military operations, General Abadia ordered Brigadier General Ernesto Calupig, chief of the Northern Luzon Command, to stop all offensive operations in some parts of the Cordilleras for 72 hours if the rebels agree to release their captives.

Templo said they received information that Drown and the two soldiers are still alive.

Nevertheless, the military rejected demands by the NPA to withdraw troops from Conner, Pinukpuk, Marag Valley, and Sunungdungan Valley before 27 January.

According to Templo, they cannot retreat from these areas any more because the success of their military campaign in securing Northern Luzon hinges on their victory in these areas.

Templo added that the ongoing offensive in Kalinga-Apayao will force the rebels to accept their offer of a temporary cease-fire

Police Negotiate With U.S. Businessman's Abductors

HK3101025092 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 30 Jan 92

[Text] Negotiations to free American executive Michael Barnes are under way. According to a Camp Crame source, police emissaries have been sent to speak with Barnes' kidnappers. However, the source said the police refuse to divulge the identities of the kidnappers and whether they are demanding ransom. Those involved in the negotiations have likewise refused to reveal if the kidnappers are from the left, the right, or are just ordinary criminals.

Philippine National Police Deputy Director General Gerardo Flores would not confirm or deny reports that negotiations for Barnes' release are going on. But he has said he believes the case will be solved within two weeks.

Meanwhile, several members of the National Bureau of Investigation are scheduled to be sent abroad to look into various new angles in the Barnes kidnapping case. This was revealed by Justice Secretary Silvestre Bello III after the Presidential Task Force on Kidnapping received new clues on the case. However, he refused to divulge any details on this because he said this might jeopardize the resolution of the case.

Government Confirms Negotiations Ongoing

HK3101091392 Manila Manila Broadcasting Company
DZRH in Tagalog 0800 GMT 31 Jan 92

[By Andy Verde]

[Text] Cesar Sarino, interior and local government secretary, has confirmed that Michael Barnes, the kidnapped top official of Philippine Geothermal Incorporated, is still alive and that negotiations between his agency and the suspects are in progress. In an interview with reporters, Sarino refused to disclose the method by which the negotiation is being carried out. He also refused to identify the suspected group for fear that it may endanger the security of the victim. According to Sarino:

[Begin Sarino recording in English] Yes, contact has been made, and we shall proceed on the basis of available information. [end recording]

Sarino added that Barnes will again be seen in the next few days because of the unrelenting efforts of the authorities to solve the case.

Senate Establishes Bases Development Authority

HK3101024892 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 30 Jan 92

[Text] The Senate has approved, in its third and final reading, the Bases Development Authority, which will administer all territory covered by the 1947 Military Bases Agreement, particularly Subic Naval Base and Clark Air Base. Also approved was a plan to set up the Subic Bay Metropolitan Authority. The president has been granted the power to set up a special economic zone at Clark Field and all forests in the area have been designated national parks to protect and preserve rural areas around Subic Bay.

Meanwhile, the Senate turned down a proposal to oust two members from the labor sector and a local government official from the nine-member Bases Development Authority board of directors.

Russia To Provide Nuclear Barges, Scientists*HK3101053092 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 31 Jan 92*

[Excerpts] Alejandro Melchor has been sworn in as presidential adviser to the Bases Conversion Program. The oath-taking ceremony took place one day after the Senate approved the Bases Conversion Program, which involves the establishment of an agency to administer the Subic Base facilities. [passage omitted] Meanwhile, Vicky Robles of Radio Patrol Number 15 has the following report:

[Begin recording] As a result of the U.S. bases pullout, new economic and trade relations between the Philippines and the Soviet Union [as heard] have been established. Former Philippine Ambassador to Moscow Alejandro Melchor said he has already begun negotiations during the past week to obtain nuclear-power barges from the Soviet Union. These are supposed to be taken to the Philippines on board a Soviet submarine, with some Soviet nuclear scientists to help in the operations. The nuclear-powered barges have to be utilized as the National Power Corporation [NPC] has failed to provide services for the full industrialization of Subic Naval Base and other regions in the country.

During the past 30 years, the NPC's power generating capacity has been questionable. Meanwhile, Melchor is awaiting a response from Soviet President Boris Yeltsin to this Philippine Government request. President Aquino is reported to have given the go-ahead for the negotiations. It is not clear at present what will be done with the nuclear waste. [end recording]

Abadia, Comelec Disagree on Rebels' Candidacies*HK3101030792 Manila THE CHRONICLE in English 31 Jan 92 p 8*

[By Manny Mogato]

[Text] Commission on Elections [Comelec] officials have given at least three detained military rebels temporary freedom to register in the areas where they intend to run for elective positions.

Comelec Commissioner Haydee Yorac said the commission approved a request of the officers for a three-day temporary liberty pass so they could register tomorrow in their home provinces, where they intend to run as governors.

The three are former Army Brig Gen Marcelo Blando, former Constabulary Brig Gen Edgardo Abenina and former Army Col Alexander Noble.

Blando wants to run in Isabela against its incumbent governor, Faustino Dy; Noble, in Bukidnon, also against the incumbent governor, while Abenina has been drafted as a senatorial candidate of the Nacionalista Party-Laurel wing.

But Abenina said the three have yet to receive a release order from the Armed Forces.

Armed Forces Chief Gen Lisandro Abadia said he was not informed by the Comelec on their decision to allow the three top leaders of the 1989 coup to register as voters in their respective home provinces.

Yorac, interviewed by reporters during the Philippine National Police first anniversary celebration in Camp Crame, said the detained rebel officers have the right to seek an elective position and register as voters in the place where they intend to run.

Aquino Comments on Cardinal's Neutrality*HK3101082392 Quezon City MALAYA in English 31 Jan 92 pp 1, 8*

[By Marie Feliciano]

[Text] President Aquino yesterday said she believes Jaime Cardinal Sin would keep his promise not to meddle in politics, particularly in the May 11 elections.

"The Cardinal has repeatedly stated that the Church will not be endorsing a candidate," she said in a statement.

The Catholic Bishops Conference of the Philippines [CBCP] yesterday belied reports the CBCP is supporting a candidate.

Sin has repeatedly said the Catholic church would not be supporting any candidate and has advised Mrs Aquino not to endorse anyone to put an end to "political patronage."

But Sin is reportedly backing former Chief Justice Marcelo Fernan.

Sin will be with Fernan and Speaker Ramon V. Mitra Jr., LDP [Struggle of the Filipino Democrats] standard bearer, on Saturday to convince the former justice to run as vice presidential candidate of the LDP, Sen. Orlando Mercado (LP) [Liberal Party] said.

Fernan had sought a presidential endorsement. But President Aquino "anointed" former Defense Secretary Fidel V. Ramos last Saturday, and is pressuring Fernan to run as Ramos' vice president under an administration coalition.

Sin's absence at the Thanksgiving Mass held for Mrs. Aquino's birthday last Saturday, the day she announced her support for Ramos, was taken to mean the cardinal would not be supporting the President's choice.

Sin reportedly will officiate at the Mass during Mitra's birthday on Feb. 4 to show his support for the Speaker.

The President described a Ramos-Fernan ticket as "the most desirable combination" and said she would convince "all my relatives, my supporters, and everyone else to support my choices from president down to town councilor."

But of the presidential relatives, only Rep. Francisco Sumulong (Rizal), Mrs Aquino's maternal uncle, is openly supporting Ramos. He and followers in the LDP have formed the Edsa [Epifanio delos Santos Avenue]-LDP party to back Ramos' candidacy.

The other presidential relatives are supporting Mitra, like Sen. Agapito Aquino, Mrs. Aquino's brother-in-law; Rep. Teresita Oreta (LDP, Malabon-Navotas), sister-in-law; and Rep. Herminio Aquino (LDP, Tarlac), uncle.

On the Edsa-LDP's offer for her to be the titular head of the party, Mrs Aquino said: "I have not joined any political party up to now. I believe that I will finish my term without actually joining a political party."

Commission Blocks Malacanang Appointees' Accession

HK3001025292 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 29 Jan 92

[Text] Members of the Struggle of Filipino Democrats who are in control of the Commission on Appointments have blocked all of Malacanang's appointees. The Commission on Appointments blocked the appointments of Silvestre Bello III as chief justice secretary, Pete Nicomedes Prado as transportation secretary, and Rafael Alunan III as tourism secretary. The Commission on Appointments likewise blocked the promotion of nine lieutenant colonels to the rank of colonel.

International Reserves Rise to 'All-Time High'

HK3101062092 Manila PHILIPPINES NEWSDAY in English 31 Jan 92 p 8

[By Veronica E. Vargas]

[Text] The Central Bank's [CB] gross international reserves (GIR) soared to an all-time high of \$4.690 billion as of Jan 24, latest CB estimates showed.

With the bulk of the increase coming from foreign investments of \$2.2 billion, the GIR level is sufficient to cover 3.4 months of imports of goods and services. The figure also exceeded the International Monetary Fund target of a GIR equivalent to three months worth of imports.

The reserve boost came mostly from the increase in foreign investments, foreign exchange due from banks amounting to \$1.1 billion, and foreign exchange holdings worth \$200 million.

Further boosting the CB's reserves are dollar purchases from the trading floor of the Bankers Association of the Philippines totaling \$2.5 billion, which was bought starting last March when the peso strengthened substantially against the U.S. dollar because of the dwindling demand for imported goods.

A ranking CB official said the hike in the GIR from the end-December 1991 figure of \$4.47 billion will allow the bank to diversify in its foreign investment accounts. The

CB's foreign assets are invested in U.S. Treasury bills and other end-view of maximizing the yields on its investments.

CB Governor Jose L. Cuisia, Jr said in a media briefing Wednesday night that the reserves would partly used to avail of a \$2.3-billion debt buyback scheme to reduce the country's debts with foreign commercial bank creditors. Also, part of the GIR will go to the financing of a planned unwinding of swaps—or to pay off interest on foreign exchange advanced to local commercial banks in the early 1980s.

Latest CB estimates place the amount of these swaps at \$500 million. About \$500 million more from the reserves could be used for the debt restructuring package with the country's foreign commercial bank lenders.

The government is working at a scheme to raise \$1 billion in fresh funds with multilateral funding agencies to reduce the country's debt stock. These funds will be partly used to purchase U.S. zero coupon bonds in the secondary market to serve as collateral for the bonds the state intends to issue in the with the proposed deal with foreign banks.

About \$650 million of the new money will be used as collateral to repurchase Philippine debt papers.

Vietnam

Vo Chi Cong Meets DPRK Foreign Minister

SK3101113692 Pyongyang KCNA in English 1006 GMT 31 Jan 92

[Text] Pyongyang January 31 (KCNA)—Comrade Vo Chi Cong, president of the State Council of the Socialist Republic of Vietnam, received Kim Yong-nam, vice-premier and foreign minister of the Democratic People's Republic of Korea, on January 28.

The foreign minister conveyed regards and a personal letter of Comrade Kim Il-song to Comrade Vo Chi Cong.

He also conveyed greetings of Comrade Kim Chong-il to him.

Comrade Vo Chi Cong expressed deep thanks for this and asked the foreign minister to convey his wishes of longevity to Comrade Kim Il-song and Comrade Kim Chong-il.

He appreciated the great successes the Korean people have scored in the struggle for the building of socialism and national reunification and in the endeavours for the improvement of the people's living under the leadership of the Workers' Party of Korea headed by respected Comrade President Kim Il-song.

The party, government and people of Vietnam have actively supported the just and reasonable proposals put forward by Comrade President Kim Il-song to ease the tensions, achieve national reconciliation and unity and

create a nuclear-free zone on the Korean peninsula and realize the independent and peaceful reunification of the country, he said, adding: I believe the inter-Korean agreement will be conducive to peace and security in Asia and the rest of the world.

The talk proceeded in a friendly atmosphere.

Le Duc Anh Receives French Assembly Delegation

*BK3001160792 Hanoi VNA in English 1456 GMT
30 Jan 92*

[Text] Hanoi VNA Jan. 30—Le Duc Anh, Politburo member of the Communist Party of Vietnam Central Committee, received here today the delegation of the Commission for National Defence of the French National Assembly led by President Michel Boucheron which is visiting Vietnam at the invitation of the External Relations Commission of the National Assembly. At the reception Michel Boucheron said that his delegation, though including representatives of various parties in the French National Assembly, unanimously agreed on the necessity to maintain and develop the friendship and cooperation between the two countries for mutual benefit and for peace, and security in the world.

For his part, Le Duc Anh reiterated Vietnam's external policy of independence, sovereignty and friendship with all countries and its readiness to expand relations with them on the basis of equality and mutual benefit.

Vu Oanh Attends Population, Development Seminar

*BK2901133992 Hanoi QUAN DOI NHAN DAN
in Vietnamese 10 Jan 92, P 1*

[Report by Hoang Hai]

[Text] A national seminar on population and development was held at the Ba Dinh conference hall in Hanoi

on 8 and 9 January by the National Assembly Public Health and Social Welfare Committee with financial support from the Asian Forum of Parliamentarians on Population and Development (AFPPD). This was the first time a standing committee of the National Assembly has held a major seminar on the issue of population and development. Attending the seminar were the comrade leaders of the National Assembly, the Council of State, the Nationalities Council, and various committees of the National Assembly, and delegates from many ministries, sectors, and localities. Also present were Comrade Vu Oanh, member of the Party Central Committee; the Japanese ambassador; and representatives of various international organizations—such as UNDP [United Nations Development Program], UNFPA [United Nations Fund for Population Activities], WHO, and UNICEF—in Hanoi.

At present, the annual rate of population growth in our country is 2.19 percent. This is a very high rate compared with the rest of the world.

Analyzing the causes of the country's population growth at present, the delegates held that there are four main causes: Various echelons and sectors still fail to understand adequately the problem of population and development and still cannot reach an identity of views on certain aspects; policies and measures have not yet been uniformly adopted; budget for investment remains scanty and is still dependent on international aid; and the use of funds has not yet yielded any outstanding results.

On this occasion, the delegates unanimously offered a recommendation on the issue of population and development in Vietnam—including many concrete measures to keep the rate of population growth below the 1.8-percent mark by the year 2000—similar to the strategy for socioeconomic stabilization and development up to the year 2000 adopted by the Seventh Party Congress.